



Daily Report

China

FBIS-CHI-95-182
Wednesday
20 September 1995

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20 September 1995

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General

Further on Foreign Ministry News Conference

Previews Jiang Visit to U.S.

OW1909172695 Beijing ZHONGGUO XINWEN SHE
in Chinese 1352 GMT 19 Sep 95

[FBIS Translated Text] Beijing, 19 Sep (ZHONGGUO XINWEN SHE) — Chinese Foreign Ministry spokesman Chen Jian disclosed here today that President Jiang Zemin will visit the United States next month to attend ceremonies marking the 50th anniversary of the founding of the United Nations.

Speaking at a news briefing, Chen Jian said: Matters related to President Jiang Zemin's bilateral activities [shuang bian huo dong 7175 6708 3172 0520] in the United States are being discussed and arranged.

He said: Sino-U.S. relations are extremely important [ji wei zhong yao 2817 3634 6850 6008] to both China and the United States. Meetings between the leaders of the two countries will be conducive to the normal development of these relations.

He added: Since the Chinese foreign minister met with the U.S. secretary of state in Brunei, the two countries have continuously engaged in consultations and contacts [bao chi cuo shang he jie chu 0202 2170 4322 0794 0735 2234 6051] concerning the adverse impact [bu liang ying xiang 0008 5328 1758 0742] caused by the visit of Li Denghui [Li Teng-hui] to the United States.

He said: China hopes that the United States will adopt effective measures to eliminate the evil consequence [e lie hou guo 1921 0503 0683 2654] caused by allowing Li Denghui to visit the United States, so as to help improve and develop Sino-U.S. relations [yi li yu zhong mei liang guo guan xi di gai shan he fa zhan 0110 0448 2456 0022 5019 0357 0948 7070 4762 4104 2395 0810 0735 4099 1455] and to create the necessary conditions and atmosphere for meetings between the leaders [bing wei ling dao ren zhi jian di hui wu zhi zao bi yao di tiao jian he qi fen 0017 3634 7325 1418 0086 0037 7035 4104 2585 2524 0455 6644 1801 6008 4104 2742 0115 0735 3049 3050].

Views Hong Kong Legco Poll

OW1909123995 Beijing XINHUA Domestic Service
in Chinese 0945 GMT 19 Sep 95

[FBIS Translated Text] Beijing, 19 Sep (XINHUA) — Foreign Ministry spokesman Chen Jian commented here today on the Hong Kong Legislative Council [Legco] election.

At the news conference held this afternoon, a reporter asked: What is your comment on the results of the Hong Kong Legislative Council election?

Chen Jian said: The Chinese Government has time and again stated that the last three-tier structure formed under the circumstance in which the Chinese and British sides have not reached an accord will end along with the termination of Britain's rule in Hong Kong on 30 June 1997. At that time, the Legislative Council and regional organizations of the Hong Kong Special Administrative Region will be formed in accordance with the relevant decisions made by the National People's Congress as well as the regulations of the Basic Law.

Chen Jian pointed out that the Chinese Government's stand toward Chris Patten's constitutional reform package — which goes against the Sino-British Joint Declaration, the principle of convergence with the Basic Law, and relevant agreements and understandings reached by China and Britain — is clear and consistent; and that the consequences created by the package are also apparent.

Reportage on UN General Assembly 50th Session

Session Previewed

OW1909121095 Beijing XINHUA Domestic Service
in Chinese 0959 GMT 18 Sep 95

[Roundup by reporter Xia Zhaolong (1115 0340 7893): "The Fiftieth Session of the United Nations General Assembly Attracts Worldwide Attention"; the following item was issued by XINHUA as a replacement for an 18 September 0440 GMT roundup of the same title, which XINHUA then killed at 0959 GMT. Explanatory notes describe variations from the initial XINHUA item]

[FBIS Translated Text] United Nations, 17 Sep (XINHUA) — The 50th United Nations General Assembly [UNGA] will open at the headquarters of the United Nations in New York on 19 September. This UNGA session, being an important meeting in the history of this international organization, is attracting worldwide attention.

The celebration of the 50th founding anniversary of the UN constitutes an important part of the agenda. The UN was formally established on 24 October 1945 when the "Charter of the UN" took effect. To commemorate this historic day, a world summit meeting will be held from 22-24 October this year to review the path taken by the UN over the past 50 years, sum up experiences, and issue a declaration to reaffirm the basic principle and purpose of the "Charter of the UN" as well as the commitment to make contributions to peace and prosperity in the world in the next century. At present,

leaders of more than 150 countries have registered to attend this grand meeting. As a UN official put it, this signifies that all countries want to work together for a better tomorrow for mankind.

The UNGA is a forum at which official representatives of all countries gather in New York from September to December each year to expound their own standpoints regarding major international issues and reach relevant resolutions in a bid to safeguard world peace and promote economic development. A total of 164 items are included for discussion this year, with peace and development as two major themes.

Over the past year, although the international situation tended to be relaxed, problems between states or regions emerged in an endless stream, with one regional war arising after another. To mitigate conflicts and achieve peace, the UN is now carrying out 16 peacekeeping missions around the world. These actions have met with the greatest difficulty in the former Yugoslavia and has resulted in a dilemma. It is expected that representatives will engage in heated debates on how to correctly carry out peacekeeping and other missions in accordance with the principle of the "Charter of the UN."

After the end of the Cold War, all countries have attached importance to economic and social development. With the economic element playing a bigger role in international ties, more subjects of this nature are included in the agenda of the UNGA. Following this year's summit meeting on social development and world conference on women sponsored by the UN, a summit meeting on urban issues (meeting on residential communities) will be held next year. At this upcoming UNGA session, representatives from all countries, while centering around the "program for development" put forward by the secretary general, will intensively discuss some fundamental issues that have an impact on long-term development, such as strengthening international cooperation, narrowing the north-south gap, and establishing a fair and reasonable world economic order.

In addition, the meeting will discuss human rights, disarmament (including nuclear disarmament) [initial XINHUA version: "disarmament including nuclear disarmament"], UN funds, reforms, and other issues.

As one of the founding states of the UN and one of the permanent members of the UN Security Council, China plays an important role in international affairs. A Chinese leader will attend this upcoming UNGA session and summit meeting for celebrating the 50th founding anniversary, in which he will explain to representatives from all other countries China's independent foreign policy and principled positions [initial XINHUA version: "China's independent foreign policy and China's

principled positions"] on the abovementioned issues. He will also exchange views on bilateral ties with leaders of other countries.

Opening of Session Noted

OW1909233795 Beijing XINHUA in English
2155 GMT 19 Sep 95

[FBIS Transcribed Text] United Nations, September 19 (XINHUA) — The 50th Session of the United Nations General Assembly opened here this afternoon with Professor Diogo Freitas do Amaral of Portugal elected President of the Assembly.

In his statement following the election, the new president, former Portuguese Vice-Prime Minister and Foreign Minister, recalled the UN accomplishments in the last half century marked by monumental political, social and economic changes in the world.

He said a new international order has gradually begun to take shape, but its form is still vague and confused. With the utopias quickly proven to be unrealistic, the harsh reality of international life has demonstrated that "the new international order has yet to be devised, that peace has yet to be consolidated."

Stressing the importance to promote development, he said "Without development there can be no peace, at least not the just and lasting peace to which all men and women of good will aspire."

The annual General Assembly session opens on the third Tuesday in September, the UN designated International Day of Peace. Before striking the Peace Bell for three times this morning, UN Secretary-General Butrus Butrus-Ghali said that the world, once more, cries out for peace, and for the economic and social development. "Let us work for peace with the strength and clarity of this great sound," he said.

At the current session, the General Assembly will discuss some 160 items including peace-keeping, economic and social development, disarmament, UN reform, improvement of the UN financial situation, and strengthening of the coordination of humanitarian and disaster relief assistance.

The session will be highlighted in October 22-24 with the unprecedented number of over 150 heads of state or government to speak at a special commemorative meeting on how to strengthen the status and role of the world body. The 50th UN anniversary falls on October 24.

Qiao Shi Meets Thai, Japanese Delegations

OW1909131595 Beijing XINHUA in English
1245 GMT 19 Sep 95

[FBIS Transcribed Text] Beijing, September 19 (XINHUA) — Qiao Shi, chairman of the Chinese National People's Congress Standing Committee, met today respectively with a delegation from the Thai Senate and a delegation of Japanese businessmen.

The Foreign Affairs Committee delegation of the Thai Senate is headed by the Committee Chairman Suwit Chandhapradit and the Japanese delegation is led by Ryoichi Kawai, chairman of the Japan-China Association for Economy and Trade.

In meeting the Thai guests, Qiao Shi said, the two governments and the two parliaments have had good relations, the increasing contacts and exchanges between the two countries would enhance mutual understanding between the two peoples and would help expand the cooperation in various fields.

The exchanges between the two parliaments are conducive to advancing the bilateral relations in addition to making it possible for further cooperation in international and regional issues, Qiao Shi said.

Qiao believed the "equal footing and partnership" relations between the two countries would become closer in the future.

Suwit promised to continue to contribute to enhancing the friendly and cooperative relations between the two countries.

In meeting with the Japanese delegation, Qiao Shi hoped that the visit by the delegation would play positive role in promoting Sino-Japanese economic ties and trade.

Qiao briefed the Japanese guests on China's current economic situation and the ongoing efforts to work out the country's Ninth Five-Year Plan for national economic and social development. Before the end of the century, he said, China would as always strengthen economic ties with Japan and all other countries under the reform and opening policies.

***International Relations Outlook Projections**

95CM0369A Beijing XIANDAI GUOJI GUANXI
[CONTEMPORARY INTERNATIONAL RELATIONS]
in Chinese 20 Jun 95 No 6, pp 2-8

[Article by Yan Xuetong (7051 1331 6639) and Li Zhongcheng (2621 1813 6134): "Forecasting International Politics at the Beginning of the Next Century"]

[FBIS Translated Text] Not long after the end of World War II, the Cold War bipolar confrontation very quickly

took shape. And now, nearly five years after the end of the Cold War, the international situation is still in a period of multipolar transition. The new international order still has not been determined. Between peace and development, the two major themes of the eras, "the issue of development" is becoming ever more prominent. So, after the Cold War, in what direction will world politics develop? This article will attempt, based on these fundamental post-Cold War changes, to make a superficial prediction of the development of the world security situation, basic contradictions, and force structure in the next 15 years and China's role in it to help us to meet the international competition of the 21st century.

Security Situation

In the next 15 years, the international security situation, generally speaking, will become ever more relaxed and there will be very little likelihood of a world war or a war between big powers. A new type of cooperative security setup will be continuously established and the intensity of regional conflicts will be controlled to a certain extent, but they will continue to occur and become complex and long-lasting.

The generally relaxed situation in international security will be exhibited in three respects: The first is that economic competition will replace the military confrontation of the Cold War period for most of the world's countries, and especially will become the foreign strategic policy of the world's major countries. The world powers are all aware that a modern world war would be one of high cost with large-scale destruction, and the victor would not profit economically. To pursue their economic interest, big powers will avoid war to ensure the economic benefit of security. Since the Cold War, economic security has become the primary national security consideration of the big powers. In 1994, when the U.S. Secretary of State [Warren] Christopher was speaking to Congress about U.S. security policy priorities, he said, "Economic security is the number one priority among these priorities."¹ The foreign policy goal proposed by the 14th National Congress of the Chinese Communist Party in 1992 was "to strive for a favorable environment for China's modernization."² The Russian government emphasizes that it will give priority to domestic development, and although becoming big powers politically is an important diplomatic goal for Japan and Germany, protecting their overseas economic interests still is an important task of their foreign policy.

The second is that the possibility of direct military conflict between big powers is constantly diminishing and the danger of nuclear war has further declined.

Since the Cold War, the defense spending of major world powers has been held at a low level, generally at from 1 percent to 5 percent of the gross national product (GNP). That of the United States is approximately 4 percent, Russia's approximately 5 percent, Japan's approximately 1 percent, China's slightly more than 1 percent, and Germany's approximately 1 percent. Russia and the United States are further reducing their defense spending. Since the Cold War, world military expenditures have declined each year by approximately 3.6 percent.³ In the future, if major world military powers hold defense spending at 2 percent and below, it means that they will maintain their military forces at defensive levels. This will greatly reduce their mutual military threat. Unlike the disarmament in the Cold War period where the more they disarmed the more they increased arms, in post-Cold War nuclear disarmament there has tended to be substantial reduction. In 1993 the United States and Russia signed the Strategic Arms Reduction Treaty (START) II that specified that by 2003 the two countries would each reduce their nuclear warheads to 3,000-3,500. The two countries have currently already begun to discuss a third stage nuclear weapons reduction agreement and it is expected that they could reach agreement before 2003. That will create the conditions for all nuclear countries to participate in the nuclear disarmament process before 2010.

The third thing is that the establishment of post-Cold War security cooperation mechanisms helps to reduce mutual misunderstanding and guards against the occurrence of a world war. To guard against the multipolar structure easily producing misunderstandings that could lead to the danger of war between major powers, since the Cold War, major power enthusiasm for establishing a security cooperation system has constantly grown. Security cooperation among the big powers has been strengthened, mutual trust measures have increased, and military transparency has been heightened. Multilateral and bilateral security cooperation among the United States, Russia, China, Germany, and Japan have developed in varying degrees. The security cooperation systems that have appeared since the Cold War are different from the collective security systems of the Cold War period. The former are non-aligned and the latter were military alliances. Because they are of different natures, their goals, mechanisms, and results are all different. The Cold War Warsaw Pact and North Atlantic Treaty type collective security systems were explicitly aimed at the other side and relied on military alliances to increase their own military strength, attain military superiority, exacerbate tensions and antagonism between the two sides, and endanger and threaten third countries that were not members of the group. Contrary

to this, the multilevel, multichannel post-Cold War security cooperation systems are not aimed at anyone and rely on systematic standards to restrict member country military activities, and through dialogue and consultation, alleviate contradictions and eliminate tensions; while they maintain the security interests of member countries, they do not affect or destroy the security of nonmember nations. This characteristic of security cooperation mechanisms provides countries in military opposition with the opportunity to exchange viewpoints and peacefully resolve conflicts. The establishment of the Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF) and the development of the European Security Conference into the Conference on Security and Co-operation in Europe (CSCE) are both examples of this new type of security cooperation.

While the international security situation tends to be generally relaxed, regional conflicts still will continue to persist and tend to be complicated and long-lasting, but on a worldwide scale, the intensity, scale, and scope of regional conflicts will be further controlled. The first thing is that the spread of weapons of mass destruction could be further limited. In the next 15 years, major weapons exporting nations will be able to reach even more agreements to guard against the spread of weapons of mass destruction and a successor organization to the Paris Planning Conference can be expected to be take shape before 2000. Since the end of the Cold War, the international arms market has continuously shrunk, and the arms trade has declined from US\$81.2 billion in 1988 to US\$31 billion in 1993. The second thing is that the peacekeeping function of the United Nations will be continually strengthened. Since 1989 the United Nations has continuously expanded its peacekeeping activities, and between 1989 and 1993, there have been more than 16 peacekeeping activities approved by the General Assembly alone (not counting activities approved by the secretary general and other organizations). This is equal to the number of peacekeeping activities organized by the Security Council between 1945 and 1989. The third thing is that more and more nations are coming to the common understanding of the stabilizing role of strengthened regional security organizations. Once ARF was established in 1994, it took the elimination of unstable factors as a major task, and the CSCE arrived at a European Stability Treaty in March 1995.

Basic Contradictions

International politics in the Cold War period were dominated by the contradiction of East-West confrontation. In the next 15 years, international politics will tend to become more complicated and will be simulta-

newly affected by three contradictions, West-West contradictions, South-North contradictions, and new East-West contradictions. The development of these three international contradictions will all be different.

The role of ideology will continue to decline and clashes of economic interests will further increase, causing overall development of political, economic, and security contradictions among Western nations. As regards political diplomacy, when it involves the overall interests of Western nations, to protect their own national interests, each will more and more adopt policies that it thinks best, and reaching agreement will become increasingly more difficult. On the Bosnia-Herzegovina issue, differences among the United States, Germany, and France are becoming ever greater. In May 1995, the United States proposed trade sanctions against Iran's nuclear plans, and Britain, France, and Japan, using insufficient grounds as a reason, did not support the action taken by the United States. With Japan and Germany becoming major political powers, they pose an even greater challenge to the U.S. leadership position in the West. Especially since Japan's Prime Minister Morihiro Hosokawa in the 1994 United States-Japan summit talks, for the first time said "no" to the United States, Japan's foreign relations have conformed less and less with those of the United States. The development of regionalism will cause developed countries such as the United States, Europe, and Japan to even more consider their own regional interests, thereby broadening their differences in international politics.

In the areas of economy and trade, conflicts of interest among Western countries will clearly increase. The March 1995 North Atlantic fishing dispute between Canada and Spain continuously escalated to the point that both sides were prepared to use their navies to protect their fishing ships. In April of the same year, when U.S.-Japanese automobile trade negotiations proved unfruitful, the United States threatened sanctions and Japan resisted by withdrawing from the negotiations. In 1995, the exchange rate of the US dollar with that of the Japanese yen and the German mark fell greatly, creating sharp upheavals in international financial markets. The United States, Japan, and Germany complained to one another and did not want to agree on adjusting interest rates. With the share of yen and marks in Asian and European foreign exchange reserves growing, these currencies could coexist with the US dollar as international currencies in Europe and Asia. The development of the information highway in the next 15 years will accelerate contention among Western countries for the international high-technology market, and in expanding their own share of the international high-technology market they will not concede to one another in the least. So,

the United States, Japan, and Germany will even more intensely build the technology markets that they dominate.

As regards security and defense, while Europe and Japan will continue to maintain military alliances with the United States, they will further strengthen their own independent defenses. The 1991 Japanese *Defense Whitepaper* put forward for the first time that "military power is the ultimate guarantee of national security." Since the Cold War, the cycle of Japanese replacement of military equipment is catching up with the United States. Its 1994 national defense expenditure was more than US\$46 billion, second only to the United States. European alliances are developing into multifunctional economic, political, and security organizations. France is actively proposing the establishment of a European joint defense organization. In 1994 France and Britain established a joint air force group and a joint nuclear cooperation committee, and last year the two sides several times discussed the issues of establishing joint nuclear power and naval cooperation. In May 1995, France, Italy, Portugal, and Spain also announced the establishment of a two-branch (army and navy) combat force. In the next 15 years, with the establishment of new European and Asian security systems, the U.S. open strife and veiled struggle with Europe and Japan can only increase.

In the next 15 years, the inherently unbalanced development between developed countries and developing countries will accelerate, leading to a changed form of South-North contradiction. The least developed Southern countries will become "fourth world" in reality, and the gap between them and developed countries will get ever wider. For example, the population of Africa is twice that of the United States, but with the exception of South Africa, which is only slightly more wealthy than Belgium, in the future, the gap between the per capita GNP of the other African countries and that of developed countries will continue to widen. At the same time, the Southern newly industrialized countries and regions will remain the fastest growing economies in the world, and some of them will join the ranks of developed countries, and will part company with the backward developing countries. Northern groups also will divide into developed countries and declining developed countries (for example, Britain, Portugal, Greece, and Spain). After 15 years, the economic strength of some declining Northern countries will no longer be equal to that of present East Asian newly industrialized countries and regions. The wage levels of Singapore, Hong Kong, and Taiwan now already exceed those of a great many European countries, and European young people have begun to go to East Asia to seek work.

With the division between Southern and Northern countries becoming newly wealthy countries and poor countries, the competition between newly industrialized countries and developed countries will become a major part of the South-North contradiction. Among newly industrialized countries, the populations of China, India, and Brazil alone make up 44 percent of the population of the whole world. So, both in economic interests and in economic power, the newly industrialized countries will inevitably be the leaders of the South. The contradiction between the newly industrialized countries and developed countries will be exhibited mainly in market competition, and the world market share of the former will tend to grow, but the market share of the latter will tend to decrease. Because the newly industrialized countries are mainly concentrated in the Asian region, the contradiction between Asian countries and developed countries in Europe and America could become pronounced. Because the role of the least developed countries in the world economy is ever decreasing, their direct economic contradiction with developed countries will tend to decrease. The shift in the focus of the South-North contradiction will by no means weaken the scope of South-North cooperation. On the contrary, the growing internationalization of the world economy will heighten the economic dependence of the developed countries on the newly industrialized countries, and South-North cooperation could become ever more extensive. At the end of the 1980's, one-fifth of the exports of developed countries were sold to developing countries. In the mid-1990's, it has reached one-fourth, and the World Bank estimates that in ten years it could exceed one-third. South-North cooperation is not only limited to economics, it could also develop rather greatly in such areas as environmental protection, population control, placing refugees, prohibiting drug trafficking, and preventive measures against AIDS.

In the next 15 years, the contradiction between Eastern culture and Western culture will further develop, and the influence of Eastern culture on the world will increase. The political systems of the Soviet Union and Eastern Europe have undergone a huge change, causing the East and the West to no longer be politically and militarily antagonistic. Instead, the contradictions of the different Eastern and Western cultures will become pronounced, forming a new East-West contradiction. The new East-West contradiction will be on display in the fact that Asian cultures do not blend with European and American cultures, and will be most prominently seen in the different value orientations and different social standards. In the societies of Asian countries, collective and national interests are generally given more weight than individual interests, but European and American societies generally emphasize and give prominence to indi-

vidual interests. Asian countries emphasize that human rights are primarily survival and development rights, but the West stresses and gives prominence to individual values and individual human rights. This contradiction causes the contention of Asian countries and European and American countries at the annual UN Human Rights Conference to become increasingly acute. Despite the fact that there also are very great economic, political, and cultural differences among Asian countries, on the point of developing Eastern culture, their stands are identical. Even Japan that has the closest relations with Western countries is on the Asian side. The new East-West contradiction also is exhibited in political and legal systems and control systems, and their different ways of doing things. Because the rate of economic development of East Asian countries far exceeds averages for Western countries and world averages, Eastern influences will clearly increase. The development experiences of East Asian countries are an example for more and more other developing countries. East Asian countries not only influence them as regards economic development and economic reform, they also could have an influence on them in political, social, and cultural areas.

West-West contradictions, South-North contradictions, and the new East-West contradictions are mutually interlocking and mutually influencing. The influence of West-West contradictions on variations in the other two major contradictions will be greater than the influence of the latter on West-West contradictions. The intensification of West-West contradictions will weaken the consistency of Northern country stands on South-North contradictions and new East-West contradictions. Changes in South-North contradictions promote the development of West-West contradictions. Internal divisions of Southern countries will cause some newly industrialized countries to separate from developing countries and enter the ranks of developed countries, thereby increasing the complication of contradictions among developed countries. Changes in South-North contradictions in another respect will cause this contradiction to weaken and not be taken as seriously by international society as before. The new East-West contradictions are mainly political and cultural contradictions, and regional developments will cause this contradiction to become more and more pronounced. The development of West-West contradictions and new East-West contradictions will further alleviate the contradictions between socialist and capitalist countries and lessen the difficulty of international cooperation of countries with the two different political systems.

Power Structures

In the next 15 years, the multipolar tendencies that have appeared since the Cold War will continue to develop, and the world will gradually form three major regionally centered multipolar structures; Europe, the Americas, and Asia, and five major powers, the United States, China, Japan, Germany, and Russia, will engage in mutual competition, mutual restraints, and mutual cooperation.

The role and influence of the three major regional centers, the Americas, Europe, and Asia, on world politics, economics, and culture will become more and more evenly matched. The rapid expansion of the scale of Asian, especially East Asian, economy will greatly increase Asian influence on world politics, economics, and culture, making it equal to the world influence of the Americas and Europe. In the next 15 years, the rate of economic growth of the East Asian region will be approximately 6-7 percent, far higher than the world average of 3 percent. By 2010 the GDP of the East Asian region will exceed that of West Europe and North America. According to Japanese Research Center estimates, by 2010 Asia's GNP will reach US\$11.8 trillion and North America and South America's will be US\$11.2 trillion and Western Europe's will be US\$11.4 trillion. After its strength has increased, Asia will have an increased role in determining the standards and criteria of international relations. This will change the current situation of Europe and the United States taking the lead in determining the standards of international relations and will form a tripod of Europe, America, and Asia. By 2010 the role of Europe as regards the development of world politics, economics, and culture will be at the same level as that of Asia. In the next 15 years, the integration of the European Union will continue to make progress and the southern movement and the eastern expansion will both attain certain results. The European Union will make progress in developing into an intercontinental political, economic, and security entity and is bound to make up for the portion of world influence lost because of the rise of Asia. Although there currently is still a very large difference between Russia and the European Union on the issue of the eastern expansion of the North Atlantic Treaty Organization, this will not thoroughly destroy cooperation between them. Because regional momentum can only increase, in order to utilize regional superiority, the mutual needs of Russia and the European Union are greater than their differences. So, their relations will become ever closer.

The United States will strengthen its regional alliances with countries in the Americas, and thereby slow the current rate of decline in the United States' world political, economic, and cultural influence, the overall

world influence of the Americas still is greater than that of Asia and Europe. The United States, Canada, and Mexico in 1992 signed the *North American Free Trade Agreement* that went into effect on 1 January 1994, formally establishing a North American Free Trade Zone. This is the world's largest economic and trade group. The North American Free Trade Zone had only been established a year when the movement south began, preparing for the admission of Latin American countries. In the next fifteen years, the possibility of the development of the North American Free Trade Zone into an American Free Trade Zone will bring about the development of overall American relations. At the same time, the economic power of such newly industrialized South American countries as Brazil, Argentina, and Peru could increase rather greatly. The overall development of the Americas along with the United States superpower status will make the Americas the most influential region in world affairs.

The overall power of other regions will not be able to reach breakthrough development in the next 15 years, and their influence on world politics, economics, and security still will be limited.

In the next 15 years, the power of the five great powers, the United States, China, Japan, Germany, and Russia, will become progressively balanced, and at the end of the post-Cold War transition period, the multipolar structure will gradually take shape and a diversified triangular relationship will be formed among the five powers; the political separations among them will tend to narrow.

Changes in the international structure to a very great extent are determined by the uneven development of the five big powers, the United States, China, Japan, Germany, and Russia. In the next 15 years, the economic growth of Japan, Germany, and the United States will be maintained at approximately 2-3 percent. By 2010 the United States GNP will be approximately US\$8 trillion, and the hegemonic position of the United States will further decline, but its overall national power will still be greater than the other four countries and it still will be first in world influence. In the next 15 years, Japan's GNP calculated according to the exchange rate will at least remain equal with the United States or even become number one in the world. At the same time, Germany's could reach US\$2.5-3 trillion. If calculated by parity price purchasing power, Japan's economic power could exceed anything that the United States and Germany could estimate. The economic power of Japan and Germany will allow them to become major political powers in the next 15 years without too great a difficulty, but Japan's overall national power will be less than or equal to that of China and

Germany's overall national power will be less than that of China. Russia's prospects for developing strength are extremely undetermined. It will take at least five years before it can accomplish political stability. Russia's economy is currently in double digit negative growth. In the remaining ten years, even if the average annual economic growth reaches 8 percent, it will be difficult for the 15 year average to reach 5 percent, and Russia will become the weakest of the five big powers. If Russia breaks up further, it is in danger of losing its world status as a great power.

In the next 15 years, the five major countries will gradually form multiple political and strategic triangular relationships. The United States, China, and Japan have a triangular relationship which is crucial to Asia-Pacific regional and even global political stability. In this unequal-sided triangular relationship, U.S.-Japanese relations are closer than Chinese-United States relations and Chinese-Japanese relations. The United States, China, and Russia roughly form an equilateral triangular relationship. The United States and Russia have a common understanding on preventing nuclear proliferation and controlling conventional weapons; China and Russia have vast prospects for cooperation in the areas of economics and military sales, and China and the United States have a rather great mutual need economically. In the Chinese, Japanese, Russian equilateral triangular relationship, China is in a rather advantageous position. China can maintain a rather stable bilateral cooperative relationship with Russia and Japan, but the Northern Territories issue will cause long-term difficulty for the development of Japanese-Russian relations. In the U.S., Japanese, and Russian triangular relationship, the United States is dominant, and the Japanese-Russian contradiction can be used by the United States for a long time. The U.S., German, and Japanese triangular relationship is the core framework of the Western seven nation summit conference. The development of the U.S.-Japanese contradiction will be faster than the contradiction between the United States and Germany, thereby forming an unequal-sided triangular relationship advantageous to Germany. The political situation among the five major countries will tend to be a balance of strength, that is cooperation and competition, avoiding confrontation and conflict, and giving prominence to economic factors.

In the formation of the three major region and five major power structure, multipolar tendencies will reflect three major characteristics: multilateralism, regionalism, and diversity. The five major countries will concentrate even more on the role of multilateral organizations, and develop even more multilateral relations, while maintaining bilateral relations as the mainstay of their diplomatic strategy. The United States fan-shaped security strategy

is most typical. It takes U.S. bilateral military cooperation with Asia-Pacific countries as its backbone and such regional and subregional multilateral organizations as ARF, the Asia Pacific Economic Cooperation Organization, and the Korean Peninsula Energy Organization as links that strengthen the bilateral relationships. With the weakening of ideology, cultural similarities promote mutual understanding among countries from the same region and strengthen their consciousness of protecting common interests. With the accelerated economic integration of countries in Europe and the Americas and the establishment of free trade zones, joint economic entities also are developing in other regions and subregions in the world. At the May 1995 South Asian Association for Regional Cooperation summit conference, with the South Asian nations in a state of military confrontation, they decided beginning from 8 December of this year to implement a South Asian Preferential Trading Arrangement framework agreement and initiate free trade. The formation of three major world centers and the balancing of the five major powers will weaken Western dominated world influence and strengthen the political and diplomatic initiative of different regions and countries, especially the founding of numerous different development models by newly industrialized countries; the various models can produce a certain amount of influence on international society.

China's Role

In the next 15 years, China's international status will continuously improve and its role in international affairs will increase. But China also will face several external challenges.

With the rapid growth of China's foreign trade, China's role in world economic growth will broaden markedly. By 2010 China's foreign share of world trade will rise from the current 2.6 percent to 4-4.5 percent and total trade could approach one-third to one-half that of U.S., German, and Japanese trade. In 1994, China's total imports were US\$115.7 billion. With a 15 percent growth rate, after 15 years it could reach US\$821.4 billion, surpassing 1994 U.S. levels. Trade on this scale will provide a rather large market for the exports of the world's countries. The expansion of China's share of trade will increase China's voice in formulating international rules in the world economy. General Secretary of the World Trade Organization Renato Ruggiero said, "It is extremely hard to imagine that without a country like China participating, this world free trade organization can be considered a global organization."⁴ The rapid growth of China's economy not only gives it the possibility of realizing the Four Modernizations as early as possible, but also

encourages the economic development of surrounding countries, especially East Asian countries. Beginning in the 1990's, economists have generally recognized that China and Japan have become the two locomotives for the economic growth of the East Asian region. In the next 15 years, Japan's dynamic function can maintain the status quo, but the function of China's source of dynamism will increase greatly.

With the development of China's overall power, China will play a more important stabilizing role in international security, especially the security of the Asia-Pacific region. By 2010 China's Four Modernizations will have achieved relatively complete development and China will be able to invest quite a few forces for use in maintaining world peace, especially strengthening its part in the security and stability of the East Asian region. Henry Kissinger said, "The extraordinary economic development achieved by China means that if we do not have its cooperation, it will be very difficult to conceive that the Asian region, especially the East Asian region, can maintain stability."⁵

The success of China's economic development and its stable political situation will increase China's influence in international political affairs. In the next 15 years, the vast majority of developing countries could make economic development the primary goal of their national strategy. China's successful developmental experience naturally will evoke the serious attention of developing countries. In the next 15 years, China's legal system will constantly be perfected; its political system will become even more democratic, and its society will become even more stable. This outcome will surprise Western countries and could encourage international society to once again recognize China as a political model.

In the next 15 years, China will still be facing an international environment with numerous challenges. A few Western countries do not want China to become powerful too fast and inevitably will plot in many respects to divide China. They could increase their support for separatist elements in such minority localities as Taiwan and they also could use international public opinion to exaggerate the contradictions of China's central and local governments, intraparty policy differences, and government and society contradictions, and by supporting anti-government forces and various ways and means, divide and infiltrate China. As long as China adheres to the socialist path, Western countries will continue to constantly exert pressure on China on such issues as "democracy" and "human rights." With China occupying a rising share of the world market, frictions could also constantly increase between China and other countries in such areas as permission to enter an expanding market, reduction of trade deficits, and antidumping

sanctions. There could be factors such as changes in the policies or in the situations of surrounding countries; if after Japan becomes a major political country, it adopts tougher diplomatic policies; or if political turmoil occurs in Russia, there is the possibility that it could lead to a great nation chauvinist coming to power; and certain major regional powers such as India developing economic and military power, all could raise various new challenges for China.

Endnotes

1. "Peace, Prosperity, and Democracy," U.S. News Agency, 24 February 1994.
2. "Step Up the Pace of Reform and Opening Up To Strive for Even Greater Victories for Socialism With Chinese Characteristics," RENMIN RIBAO, 21 October 1992.
3. "The Global Gap Between Poor and Rich Expands," LOS ANGELES TIMES, 14 June 1994.
4. Renato Ruggiero's 21 March 1995 speech to reporters in Washington, AGENCE FRANCE PRESSE, 21 March 1995, in English.
5. Henry Kissinger's 21 March conversation with reporters in Bombay, India, REUTERS, 21 March 1995, in English.

United States & Canada

U.S. House Resolution on Ties to DPRK Cited
OW1909163195 Beijing XINHUA in English
1549 GMT 19 Sep 95

[FBIS Transcribed Text] Washington, September 18 (XINHUA) — The U.S. House of Representatives today approved a resolution seeking strict conditions on upgrading relations between the United States and the Democratic People's Republic of Korea (DPRK).

The non-binding resolution, passed without a recorded vote, called on President Bill Clinton to make sure the DPRK lives up to its nuclear agreement with the United States.

It urged the president not to upgrade relations or relax trade and investment barriers with the DPRK until it takes action to engage in a dialogue with South Korea and implements the North-South Declaration on the Denuclearization of the Korean Peninsula.

Other conditions laid out by the resolution included progress on reducing military forces along the Demilitarized Zone between North and South, and an end to the DPRK's efforts to deploy an intermediate-range missile system and an end to its exports of missile technology.

The House's resolution was designed to keep pressure on the Clinton administration to proceed cautiously in its dealings with the DPRK on the unclear issue, said Representative Benjamin Gilman, head of the International Relations Committee.

Central Eurasia

Commanders Meet on Sino-Russian Border Issues
OW1909140495 Beijing XINHUA Domestic Service in Chinese 1234 GMT 15 Sep 95

[FBIS Translated Text] Moscow, 15 Sep (XINHUA) — Wang Guiqin, commander of China's Heilongjiang Military District, shared the same opinion with Gorbah [name as transliterated], commander of Russia's Far East Border Defense District, that Sino-Russian far east border is a border of peace, friendship, and cooperation.

The Heilongjiang Military District delegation led by Wang Guiqin paid a three-day visit to Russia's Far East Border Defense District. The visit concluded on 15 September.

During the visit, both Wang Guiqin and Gorbah reached a clear agreement on the following points: The system for the cooperation between Chinese and Russian border troops and armed forces, new standpoints for defending the state's borders, and ways for further cooperation. They also agreed on joint inspection, supervision, constant exchange of experts, and active cultural ties.

Both parties said: China and Russia highly value the friendship between their peoples and have provided new conditions for making Sino-Russian borders more stable, friendly, and cooperative.

Northeast Asia

Shenyang Rally Recalls 1931 Japanese Invasion
OW1709150595 Beijing XINHUA in English 1417 GMT 17 Sep 95

[FBIS Transcribed Text] Shenyang, September 17 (XINHUA) — A mass rally was held today in this capital city of northeast China's Liaoning Province, in commemoration of the 64th anniversary of the September 18th Incident.

Officials of the province, together with more than 1,000 people from all walks of life in Shenyang City and other parts of the province, attended the rally.

It was on September 18, 1931 when the Japanese troops started an invasion of the three northeast provinces in China, including Liaoning Province. The "September 18th Incident" signals the beginning of the Japanese aggression in the whole China.

The participants stood in silent tribute and laid baskets of flowers to pay their respect to revolutionary martyrs and innocent victims in the anti-Japanese war. They also saluted veteran revolutionaries who took part in the war of resistance against Japanese aggression.

Exhibit on Japanese Chemical Warfare Opens
OW1909140195 Beijing XINHUA Domestic Service in Chinese 1131 GMT 18 Sep 95

[By RENMIN RIBAO reporter Liu Yuqin (0491 3768 3830) and XINHUA reporter Ma Xiaochun (7456 2556 2504); Beijing XINHUA Domestic Service in Chinese at 1638 GMT on 18 September transmits a service message canceling the following item]

[FBIS Translated Text] Beijing, 18 Sep (XINHUA) — An exhibition of the chemical warfare crimes committed by Japanese aggressor troops in China opened today at Beijing's Memorial Hall of the Chinese People's War of Resistance Against Japan. This is the first such exhibition held in China.

The exhibition, which is jointly sponsored by the Memorial Hall of the Chinese People's War of Resistance Against Japan, the Heilongjiang Provincial Academy of Social Sciences, and the Memorial Hall of Revolutionary Martyrs from Northeast China, has four exhibition divisions. By showing large quantities of graphic and textual data as well as actual material, the exhibition lays bare the fact that in the all-out war of aggression against China, the Japanese militarists not only frequently used large quantities of chemical weapons to kill and injure Chinese soldiers and civilians and brutally conducted poisonous gas experiment on Chinese civilians and prisoners of war but also abandoned large quantities of chemical bombs and chemicals in our country, which still threaten the Chinese people's health and life and affect China's natural environment today. According to relevant statistics, the Japanese troops used chemical weapons in China on more than 2,000 occasions, causing at least 200,000 casualties among Chinese soldiers and civilians. Of the 200,000 people suffering from chemical weapons, 40,000 have died. In addition, millions of Chinese people fell victims to Japanese troops' poison gas.

After viewing the exhibition, veterans who took part in the war as well as young students, soldiers, and the masses in Beijing were overwhelmed with righteous indignation by the brutal acts committed by the Japanese aggressor troops in openly using chemical weapons to kill and injure Chinese soldiers and civilians in violation of the international convention banning the use of chemical weapons. It has been learned that the Chinese Government has, through diplomatic channels, strongly

demanding that the Japanese Government resolve, thoroughly and as soon as possible, the issue of the chemical weapons left from the war, which have endangered the Chinese people for a long period.

Japan's Denial of Aggression in War Condemned
HK2009030095 Beijing RENMIN RIBAO in Chinese
31 Aug 95 p 9

[Article by Lu Mingzhuo (0712 2494 3504): "To Hell With the 'Historical Concept of Aggression'"]

[FBIS Translated Text] It has now been 50 years since World War II ended, but some people in Japan still uphold their "historical concept of aggression" [qin lue shi guan 0187 3970 6034] held since World War II. Some time ago, the "No-War Resolution" approved by Japanese House of Representatives still hemmed and hawed. It sidestepped the crux of the issue, that the war was an aggressive one launched by Japanese militarists against China and other Asian countries, saying that all parties should "transcend differences in historical concepts." All Asian countries which were subject to Japanese aggression are quite indignant about this. They cannot but show great concern about and maintain high vigilance against the forces in Japan which try their utmost to distort history and beautify aggression. When meeting with Japanese Prime Minister Tomiichi Murayama on 3 May 1995, President Jiang Zemin sincerely told Japan: "It is important to have a correct understanding of history on the occasion of the 50th anniversary of the end of the war." After the Japanese Diet approved the "No-War Resolution," when holding talks with Japanese Kaikaku [as published] leader Toshiki Kaifu on 24 June, President Jiang again advised Japan to correctly approach history. He said: "Whether or not Japan can conscientiously reflect on its crimes of aggression in World War II is vital to its image in the world."

The Chinese people tasted to the full the bitterness of the Japanese war of aggression. Japan's eight-year war of aggression against China brought colossal disasters to the Chinese nation: A total of 35 million Chinese soldiers and people were killed or wounded; China lost \$100 billion in direct economic losses and \$400 billion in indirect economic losses. It not only incurred tremendous sacrifices and losses to the Chinese people and inflicted enormous damage to Chinese society, but also subjected the Chinese nation to a strong traumatic experience. The Chinese people will never forget the heinous crimes committed by the Japanese aggressors in China and the tragic history of being invaded and occupied for eight years and will naturally follow closely what attitude Japan takes on the previous phase of history.

We are pleased to see that many Japanese citizens are soberly aware of the crimes of the aggressive war waged by the Japanese militarists in the past and their colonial rule. But it is to be regretted that up until now some people in Japan, particularly some politicians, are still holding on to the historical concept of aggression. At first, they revised history textbooks and denied having carried out foreign aggression; then some "ministers who were used to making indiscreet remarks" repeatedly "made indiscreet remarks," issuing from time to time denials of Japanese aggression; and then they launched the argument around the "No-War Resolution." At last the Diet approved an evasive "resolution," absolving its aggressive war guilt in terms of the law. No matter how they have changed in form, fundamentally speaking they have not "transcended" but have obstinately upheld their historical concept of aggression since World War II. If you do not believe this, please consider the following facts.

First, it distorts history and denies having carried out aggression. When talking about the war, the textbooks compiled and edited under the auspices of the Japanese Education Ministry use "entering" instead of "invading" China and deny the Nanjing massacre on the pretext of "lack of concrete evidence." In official Japanese Government documents there is no official record of this war of "aggression," so that it has become a war without a record of "aggression." Some Japanese officials have also frequently falsified Japan's history of aggression against China, saying that "it is wrong to designate the Pacific War as an aggressive war," that the "Japanese-Chinese war was an accidental one," and so on. Although some officials spoke evasively about "aggression," they only conceded the existence of "aggressive facts" without admitting that the war was an "aggressive war." The "No-War Resolution" approved by the Japanese Diet casually mentions the "aggressive war" as "aggressive conduct." Some Diet members have even set up an "Alliance of Diet Members for Correct Communication of History," wantonly carrying out activities of distorting history and beautifying aggression.

Second, it stands facts on their heads and beautifies aggression. Japan has not only denied having launched an aggressive war but has gone even further to spread the theory that "aggression is reasonable" and the theory that "aggression renders great service." They advocate that "the Greater East Asian War was a sacred war" and a war for "peace in Asia"; they stand facts on their heads and confuse black and white regarding Japan's external war of aggression as one waged for the sake of "Japan's self-survival and self-defense" and even for the sake of "liberating East Asia," "enabling Asia to win independence from such big powers as Europe and the

United States," and "awakening Asians." They claim that, "without the East Asian war, there would have been no independence for Asia." They regard Japan's aggression against Asia as the "liberation" of Asia, thus turning Japan into a "meritorious contributor" to the "liberation" of the oppressed nations in Asia. Based on this, Japan has set up facilities to commemorate World War II. The "Hall of Treasures and Articles Left Behind by the Deceased" in "Yasukuni Shrine" is actually an exhibition hall of war trophies. The "Peace Monument" was set up in Shinjuku, Tokyo, in memory of the executed Class A war criminals, and the "Monument for Those Killed in Action During the Greater East Asia War" in Fukuoka Prefecture has an inscription to the effect that the Pacific War waged by Japan was a sacred war for self-survival and self-defense and for liberating the oppressed nations. They also described the aggressors and war criminals as "heroes" of World War II, looked upon those killed in the aggressive war as the "spirits of the brave departed," saying that they were "warriors" who "dedicated their valuable lives to peace." Some cabinet ministers frequently go to the "Yasukuni Shrine" to pay homage to these "heroes" and sing their virtues and achievements.

Third, they refuse to reflect, apologize [dao qian 6670 2959], or offer an apology [xie zui 6200 4997]. Precisely because Japan holds on to the historical concept of aggression, not admitting to have waged an aggressive war or admitting that it was guilty of aggression, it upholds the die-hard attitude of refusing to make reflection, apologize, or offer an apology. It is stated in the article "Why Should We Draft a 'No-War Resolution'" that "if only we explicitly express some reflection on the previous war, it will actually mean an offer of apology." A politician even asserted: If we concede we have waged an aggressive war, it will "stain" Japan's history and "do a disservice to those who laid down their lives for the country many years ago." From the end of the war till now, people in power in Japan have consistently refused to acknowledge the sin of aggression, and they naturally deem it unnecessary to "offer an apology." The "No-War Resolution" recently approved by the Japanese Diet still does not show a guilty conscience by substituting "apology" with "regret." As foreign dispatches commented, since the "No-War Resolution" neither "apologizes" nor "offers an apology" nor announces a "no-war," it is indeed "unnecessary" to make such a "resolution!"

Since the war has been over for 50 years, why does Japan still hold on to the historical concept of aggression and refuse to plead guilty? The reasons are many. An important reason is that the historical concept of aggression has a strong social basis in

Japan, the principal members of which are the war criminals who had heavy blood debts during World War II and who were shielded by the United States. At the end of 1948, the Tokyo Court only sentenced seven of the 20-plus arch war criminals to death by hanging; other courts only sentenced a small number of war criminals to death, while most of the 5,700 or so war criminals were either exempted from a death sentence or pardoned. We can thus see that the sentences passed by the U.S.-dominated Tokyo Court were merely the lightest and partial liquidation of Japan's war crimes. It did not fix the responsibility of all those held responsible for the war. These sinners of the war period and surviving supporters of the post-war Japanese Empire suddenly changed their identities and became VIP's and politicians in Japan's political arena. They formed a right-wing conservative force to control Japan's political situation. According to statistics, there are over 1,800 right-wing organizations in Japan with a membership of 120,000. They deny having waged an aggressive war and are opposed to apologizing for the war. Controlled by the right-wing forces, 18 of the 47 metropolitan and prefectural assemblies have, since the autumn of 1994, passed resolutions mourning the war dead and beautifying the aggressive war. Cherishing a profound attachment for past imperialism, the right-wing forces attempt to re-enact their past. They are the principal social basis for the "historical concept of aggression." Moreover, there are also a number of soldiers from the old Japanese troops, their descendants, as well as the descendants of some two million war dead in the aggressive war. They firmly defend the status of the "spirit of the brave departed" and the death value of their fathers or brothers, holding that if the war dead did not die for the country and nation, their death would become insignificant. For this reason, they flatly deny having waged an aggressive war.

Another important reason why Japan still holds on to the "historical concept of aggression" is that it did not make war reparations after the war and thus was not subject to due punishment and education for their war responsibility. Immediately after the war the U.S. Government, which occupied Japan, had planned to sternly punish Japan through war reparations, and worked out plans to take away most industrial facilities in Japan proper in lieu of reparations to prevent the resurrection of Japanese militarism. Later, however, with the changes in the international situation and the emergence of the Cold War, especially the outbreak of the Korean war, the United States, out of its need to oppose communism, adopted instead a policy of supporting Japan politically and militarily so as to turn it into an anti-communist fortress in the Far East. Consequently, the U.S. Government made an about-

face on the question of war reparations and, shifting from an extremely stern to an extremely lenient attitude, pursued a rare policy of non-reparation toward Japan. Given the exclusion of China from participation, the non-participation of the Soviet Union, and the exclusive dominance of the United States, the "Treaty of Peace With Japan" (i.e. the San Francisco Peace Treaty), which was signed in 1951 and went into effect in 1954, made stipulations on war reparations very favorable to Japan, saying that the reparation amount should not be determined according to losses and hardships caused to the countries which fell victim to Japanese aggression in the war but should be limited in such a way as to not damage Japan's ability to "maintain" "its economy for possible survival." It also stipulated that Japan may "provide labor services such as production and salvaging of sunken ships to attain the aim of compensating for the damage" to countries which fell victim to Japanese aggression. The Japanese Government made a big issue of these provisions by pursuing "reparation diplomacy" in a big way. On the one hand, under the condition of "maintaining its economy for possible survival," it kept the war reparation amounts within its repayment capability and reduced the war reparation amounts to a minimum. In the 23 years between 1955 and 1977, Japan repaid an equivalent of \$1.5 billion in reparation to 11 countries and regions in Southeast Asia, an average of less than \$70 million a year. On the other hand, it took advantage of the opportunity of "providing production" to promote the sale of its products abroad. It exported to Southeast Asia its mechanical products which were still not competitive in the world at that time, turning Southeast Asia into its hard-to-get biggest overseas trading market, thus promoting Japan's economic development. The result was that Japan's reparations were turned into "active support" for the country's export industry. Japan won an extremely great success in turning war reparations into economic and diplomatic means.

Making war reparations is a basic attitude a defeated country should adopt. Germany, which was likewise defeated in World War II, adopted a diametrically different stand from that of Japan. Not only did Germany officially apologize or offer an apology to those countries suffering from aggression in the name of the country, take overall responsibility for the war, and let the people "always remember" the crimes of Nazi Germany in World War II, but they also compensated the Nazi war victims to the tune of nearly \$70 billion in cash. For this reason, Germany won the understanding of its neighbors which fell victim to its aggression and gradually fostered the image of a peaceful and democratic country. But Japan has taken a diametrically different path. Not only did it

fail to apologize or offer an apology, but it also failed to seriously make war reparations. The so-called reparations it has made to countries falling victim to its aggression are insignificant. On the contrary, it spent a huge sum of money, over \$80 billion, to compensate the family members of the war dead in World War II. This was 57 times the reparations it made to various countries. Japan adopted a completely different policy toward the victims of aggression and the aggressors killed in action. Making war reparations constitutes a punishment for and a liquidation of a country's crimes for its aggression. **Japan's non-reparation for its aggressive war has deprived Japan an opportunity to receive a profound education. This is not conducive to their reflection on their aggressive war but, on the contrary, boosts their arrogance to hold on to their "historical concept of aggression."**

The reason why Japan holds on to the "historical concept of aggression" has something to do with the rapid growth of its national strength and its desire to revive the old dream of the "Greater East Asia Co-Prosperity Sphere." Recently, Japanese newspapers revealed the subconscious Japanese desire to become the "leader of East Asia" by talking glibly about "Asia" and the establishment of an "Asian community" in which Japan plays a leading role. This cannot but make people recall Japan's "Greater East Asia idea," "Asianism" [ya xi ya zhu yi 0068 4798 0068 0031 5030], and "Greater East Asia Co-Prosperity Sphere." The so-called "Asianism," or "East Asianism" [dong yang zhu yi 2639 3152 0031 5030], is a synonym for "Japanism." Japanese right-wing forces have again flaunted the banner of "Greater Asianism" in an attempt to regroup their forces. In Tokyo they held an "Asian Intergrowth Memorial Ceremony" during which they offered sacrifices to dead Japanese soldiers and the dead soldiers from Korea and Taiwan who were forced to the battlefields, and issued the so-called "Asian Intergrowth-Tokyo Declaration" in the manner of the so-called "Greater East Asian Conference" which was convened by Hideki Tojo in Tokyo in 1943 and attended by the heads of state of all puppet governments set up under Japan's military rule and the so-called "Greater East Asia Declaration" of "co-existence and co-prosperity." The aforesaid "Asian Intergrowth Memorial Ceremony" held by the new right-wing forces attempted to recall the spirit of the "Greater East Asia Co-Prosperity Sphere" and attain the status of a "political power" and "military power" compatible with its economic strength. It is fair to say, therefore, that Japan's purpose in holding on to the "historical concept of aggression" is nothing but a desire to revive the old dream of "Greater East Asia Co-Prosperity Sphere."

That Japan has until now held on to the "historical concept of aggression" was entirely brought about by the United States. Due to the Cold War between the United States and the Soviet Union and the U.S. occupation policy toward Japan, the United States not only failed after World War II to vigorously fix Japan's responsibility for the war, it was also eager to turn Japan into an "Asian shield" to prevent the spread of communism. It also supported Japan politically and militarily, turning Japan into an anti-communist bridgehead in East Asia. To this end, the United States did not stint on adopting a policy of tolerance and indulgence toward Japan. This post-war indulgence toward Japan has encouraged Japan's right-wing forces and boosted Japan's arrogance to hold on to its concept of history on World War II and deny having launched aggression. By adopting this policy the United States will surely eat its own bitter fruit.

Peace and development are the two main themes in the world today. Safeguarding world peace, opposing hegemonism and power politics, and opposing aggressive wars are the common demand of the peoples of all countries. Our purpose in criticizing the "historical concept of aggression" on the occasion of marking the 50th anniversary of the victory of the anti-fascist war is to hope that Japan will adopt a correct approach toward history and conscientiously "draw historical lessons." In fact, by holding on to its "historical concept of aggression" Japan is taking on a heavy political burden. It is post-war Japan's political cancer, which will be extremely dangerous if it is not removed quickly. If Japan does not give up the "historical concept of aggression," it will not gain the understanding of the countries suffering from its aggression and will not help Japan improve its image.

Article Cites DPRK Independence, Bilateral Ties
HK2009024495 Beijing RENMIN RIBAO in Chinese
9 Sep 95 p 3

[Article by Ya Tai (7161 3141): "Glorious Course, Eternal Friendship"]

[FBIS Translated Text] September 9 marks the 47th anniversary of the founding of the DPRK. On the occasion of this glorious festival, we wish to extend warm congratulations to the fraternal Korean people.

Over the past 47 years, under the leadership of President Kim Il-song, the great leader of the Korean people, and the Workers Party of Korea, the industrious and ingenious Korean people have maintained independence, kept the initiative in their own hands, upheld the revolutionary spirit of self-reliance and hard struggle, and carried out a highly effective struggle in defending their

fatherland and building up their homeland. Not only have they solidly defended state independence and sovereignty, they have also scored glorious achievements in socialist construction. In recent years, in light of the new situation, the Korean party and government have put forward the general principle of strengthening the development of agriculture, light industry, and external trade, and mobilized the people of the whole country to set off a new upsurge in economic construction. To quicken the pace of economic construction, the Korean party and government have also decided to set up the "Najin-Sonbong Free Economic Trade Zone" at Najin City and Sonbong County in northern Korea. Currently, work has started to build the infrastructure in the free economic trade zone, and many foreign businessmen have gone there to conduct on-the-spot study or discuss matters relating to investment.

In international affairs, the DPRK Government pursues a foreign policy of independence, peace, and friendship and, on the principle and basis of complete equality and mutual respect, strives to expand and develop ties with other countries. DPRK-U.S. relations have improved quite substantially, the course of resolving the Korean peninsula nuclear issue has constantly made new headway, and the situation on the Korean peninsula keeps on moving toward relaxation and stability. This new situation on the Korean peninsula will have a positive influence in safeguarding peace and stability on the peninsula, in Asia, and in the rest of the world.

We are gratified to see that, after the death of President Kim Il-song, the Korean people turned grief into strength, closely rallied around the Workers Party of Korea headed by Comrade Kim Chong-il, and continuously pushed ahead the socialist construction and the cause of striving for the independent and peaceful reunification of the country. We are convinced that the Korean people, who have the glorious revolutionary tradition, will certainly be able to carry forward the undertaking pioneered by President Kim Il-song and constantly make new progress in building their fatherland and in the struggle for state reunification.

China and the DPRK are friendly neighbors linked by common mountains and rivers, and the peoples of the two countries have a long traditional friendship. The friendship between the two parties, countries, and peoples, which has been personally cultivated and developed by the leaders of the older generation of both countries, has stood the test of time. The Chinese people will, as always, continuously make unremitting efforts to consolidate and develop the friendly ties between China and the DPRK. The traditional friendship between the two countries will surely develop further and pass on from generation to generation.

WPK Secretary Receives Trade Union Delegation
OW1909131995 Beijing XINHUA Domestic Service
in Chinese 1516 GMT 14 Sep 95

[By reporter Zhu Kechuan (2612 0344 1557)]

[FBIS Translated Text] Pyongyang, 14 Sep (XINHUA) — Hwang Chang-yop, secretary of the Workers Party of Korea [WPK] Central Committee, met with a delegation from the All-China Federation of Trade Unions [ACFTU] led by ACFTU Vice President Teng Yilong here today. He had a warm and cordial conversation with the delegation.

In welcoming the Chinese guests, Hwang Chang-yop expressed the hope that Korean and Chinese trade union organizations will increase contacts and exchange experience to strengthen the traditional friendship established by the two countries' proletarian revolutionaries of the older generation.

The Chinese ACFTU delegation arrived in Pyongyang on 13 September at the invitation of the General Federation of Trade Unions of Korea. It will tour Pyongyang, Nampo, Kaesong, and Miaohyongsan and will return home on 20 September.

Southeast Asia & Pacific

Hu Jintao Receives SRV Party Visitors 19 Sep
OW1909143095 Beijing XINHUA in English
1420 GMT 19 Sep 95

[FBIS Transcribed Text] Beijing, September 19 (XINHUA) — Hu Jintao, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here today with a delegation of the Vietnamese Communist Party (CPV).

The delegation, headed by Dao Duy Tung, a member of the party's Political Bureau, is here for a week-long visit as guests of the CPC Central Committee.

Hu, who is secretary of the Secretariat of CPC Central Committee, said that since the normalization of ties between the two countries in November 1991, exchanges of visit between the two parties have increased, and cooperation in various fields has been restored and developed in an all-round way.

He emphasized that since the two close neighbors and socialist states under the leadership of communist parties face the same tasks of building the country and improving people's lives by reforms and opening-up, they share much common ground.

Developing bilateral friendly ties will not only serve the interests of the two peoples, but also be beneficial to

peace, stability, and development in Asia and the world at large, Hu noted.

Dao, who is also the permanent secretary of the Secretariat of the CPV Central Committee, said that his party places great importance on learning from other countries' experiences, especially from China's reforms and opening to the outside world.

The CPV would like to increase exchanges with its Chinese counterpart in order to improve development of each country, as well as to strengthen friendly cooperation between the two parties, countries, and peoples.

During the meeting, Hu also gave a briefing on China's current political and economic situation, and had an extensive discussion with the delegation on issues of common concern.

Shanghai Hosts Sino-Australian Business Forum

Cooperation 'Very Promising'

OW1909161495 Beijing XINHUA in English
1545 GMT 19 Sep 95

[FBIS Transcribed Text] Shanghai, September 19 (XINHUA) — Chinese and Australian government officials and businessmen agreed today that economic and trade cooperation between the two countries is very promising.

More than 200 officials and businessmen gathered for an economic and trade forum here to explore trade and investment opportunities, especially in infrastructure improvement, urban development, environment protection, energy industry, and food processing.

According to Bob McMullan, Australian minister of trade, ties between China and Australia have developed rapidly in recent years.

In 1994, Sino-Australian bilateral trade reached 4.71 billion US dollars, up by 19 percent over 1993's figure, and the increase this year is expected to be even greater.

Australian companies have invested 654 million US dollars in China, and projects involving another two billion US dollars are under negotiation, the minister noted.

At the same time, Chinese companies have begun 150 projects in Australia, and more will open this year.

Sun Zhenyu, vice minister of foreign economic and trade cooperation in China, said at the forum that relations between China and Australia are maturing and will greatly improve mutual investment and trade.

China has been supplying machinery and electronic products to Australia and there are still other areas where the two can cooperate, such as in metallurgy, Sun pointed out, explaining that the Chinese market will be open to Australian business, and China will standardize foreign trade by laws and economic means, including exchanges rates, tariffs, taxation, and credit.

Shanghai, China's biggest industrial metropolis, is attracting more attention from Australian businessmen, and its mayor, Xu Kuangdi, said at the forum today that the city will carry out even more reforms to increase economic and trade ties with the outside world.

Australia Seeks Market Access

**HK2009090695 Hong Kong SOUTH CHINA
MORNING POST BUSINESS POST in English
20 Sep 95 p 6**

[By Foo Choy Peng in Shanghai]

[FBIS Transcribed Text] Australia is seeking an agreement with China to ensure its market access to the mainland will not be cut after Beijing gains entry to the World Trade Organisation (WTO).

Visiting Trade Minister Bob McMullan said securing the agreement would be a priority during his talks with his Chinese counterpart Wu Yi in Beijing later this week.

"It is a high priority of this visit to advance the process of an agreement by which Australia can support, and become an advocate of, China's accession to the WTO," he said.

The minister, in Shanghai to open a three-day Australia-China business forum, made it clear Australia's industry must not be worse off than before the signing of the agreement.

"I cannot, as Australia's Minister of Trade, agree to proposals that leave Australia's industry worse off as a result of the agreement than before it is signed," he said.

Mr McMullan said he was concerned about Chinese proposals to implement two tariff systems for wool and other products after its WTO accession.

Australia exported wool and animal hair products worth A\$666 million [Australian dollars] (about HK\$3.86 billion [Hong Kong dollars]) to China last year, accounting for about 24 per cent of its total exports to the mainland.

Mr McMullan hoped China would exercise administrative discretion to allow more wool to be imported to meet the strong demand.

China imposes a 10 per cent tariff on wool imports but the rate could go up to 42 per cent if it joins the WTO.

Australian sources said the minister would also express strong concern about a Chinese import tax on wool which had been hurting Australian exporters since June this year.

China, Australia's biggest wool market, cut imports after a customs check of Chinese importers found many had under-declared import values to evade tax.

"We can only express strong concern as this is China's domestic matter but it has definitely affected our exports," an Australian trade official said.

He said Mr McMullan would seek Ms Wu's aid in resolving the matter so that Australian exports to China could resume.

Speaking to the Australian investment forum China's Deputy Minister for Foreign Economic Co-operation and Trade, Sun Zhenyu, stressed the importance to China of joining the global trading body.

Mr Sun said: "China needs the world and the world needs China too."

After Beijing, the Australian Minister will lead the first high-level Australian business mission to Dalian, a dynamic port city in Liaoning province, and one of China's leading industrial bases.

"The mission will set up direct contact between Australian business leaders and their Chinese counterparts, enabling them to pursue a wide range of opportunities for business and investment in the region," Mr McMullan said.

China is Australia's fastest growing regional market and its sixth largest trading partner. Bilateral trade last year reached a record \$6.2 billion, a 19 per cent rise over 1993.

Its direct investment in China stands at \$860 million, with more than \$2 billion in the pipeline.

Near East & South Asia

**Qian Qichen Meets With Libyan Official 18 Sep
OW1809132895 Beijing XINHUA in English
1234 GMT 18 Sep 95**

[FBIS Transcribed Text] Beijing, September 18 (XINHUA) — Qian Qichen, Chinese vice-premier and foreign minister, met here today with Salem Ben Amer [name as received], Libyan assistant secretary on Asian affairs for foreign liaison and international cooperation.

Qian said that China attaches great importance to developing friendly ties and strengthening cooperation with developing countries, and noted that China appreciates

Libya's sticking to the principle of one China, and developing no official relations with Taiwan.

China would like to cooperate further in bilateral ties on the basis of the Five Principles of Peaceful Co-existence, Qian explained, and exchanged views with Amer on other issues of common concern.

Amer conveyed to Qian a letter from Omar Mustafa Al-Muntasser, secretary for foreign liaison and international cooperation, and said that he was happy to have political discussions with the Chinese here.

He also explained Libya's stand on the Lockerbie incident and on the re-election of the non-permanent members of the UN Security Council.

Before the meeting, Chinese Deputy Foreign Minister Tian Zengpei held talks with Amer.

Amer and his party arrived here on Saturday [16 September].

Pakistan's National Assembly Delegation Visits

Qian Qichen Receives Group

OW1809115095 Beijing XINHUA in English
1040 GMT 18 Sep 95

[FBIS Transcribed Text] Beijing, September 18 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen met with a delegation from the Foreign Affairs Committee of the National Assembly of Pakistan here this afternoon.

The six-member delegation headed by Maulana Rahman, chairman of the committee, is here on a visit to China at the invitation of the Foreign Affairs Committee under China's National People's Congress.

NPC's Wu Jieping Meets Group

OW1909130495 Beijing XINHUA in English
1235 GMT 19 Sep 95

[FBIS Transcribed Text] Beijing, September 19 (XINHUA) — Wu Jieping, Vice-Chairman of the National People's Congress (NPC) Standing Committee met with a delegation from the Foreign Affairs Committee of the National Assembly of Pakistan here this afternoon.

The visit of the delegation headed by Maulana Rahman, chairman of the committee, marked the first contacts between the foreign affairs committees of the two parliaments, Wu said. He believed the visit would help bring closer relations between the two neighboring countries.

The Pakistani delegation is here at the invitation of the NPC's Foreign Affairs Committee.

Legislator 'Supports' Kashmir Stand

BK2009051395 Islamabad Radio Pakistan Network
in Urdu 0200 GMT 20 Sep 95

[FBIS Translated Text] Zhu Liang, chairman of the Foreign Affairs Committee of the Chinese National People's Congress, says that Pakistan has always stood for a peaceful solution to the Kashmir dispute with India and that his country fully supports Pakistan's stand on the issue. He was speaking at a dinner hosted by the Pakistani Embassy in Beijing in honor of the visiting Pakistani parliamentary delegation headed by Maulana Fazlur Rahman, chairman of the National Assembly Standing Committee on Foreign Affairs. He expressed the hope that India will adopt a similar approach to ensure peace in South Asia. Zhu Liang said no other country's relations with China can be compared to the strong Sino-Pakistani ties in the spheres of politics, economics, and technological cooperation.

Speaking on the occasion, Maulana Fazlur Rahman said that Sino-Pakistani friendship has a practical and sound basis.

West Europe

Li Peng, Austrian President Klesstil Hold Talks

OW1909124395 Beijing XINHUA in English
1227 GMT 19 Sep 95

[FBIS Transcribed Text] Beijing, September 19 (XINHUA) — Chinese Premier Li Peng said here today that political stability is the fundamental reason for China's fast economic growth after the reforms and opening-up.

In 16 years, China has walked the path of economic development, leading to a socialist market economy, Li said, adding that China has always attached importance to a proper balance of reforms, development, and stability.

Li made the remarks this morning during a meeting with visiting Austrian President Thomas Klestil at the Diaoyutai State Guesthouse.

During the meeting, Klestil said that Austria much admires China's achievement in economic reforms, which he said have created many new opportunities for cooperation between Austria and China, and noted that Austrian business people are quite interested in increasing cooperation with China and cooperation in infrastructure construction should be increased.

Li said that China and Austria have sound relations and China welcomes more Austrian business people to China to get a better understanding of China.

China is a developing country with a great potential market, Li said, and Austrian investment in and cooperation with China based on the principle of fair competition will promote overall relations.

Klestil said that he had detailed talks with Chinese President Jiang Zemin Monday [18 September] and his government attaches importance to Austria-China relations, and added that more than 100 business people and several ministers in his delegation would like very much to look into projects with Chinese partners.

Klestil said that, during his stay in Beijing, he visited some Austrian business projects here and saw their success, and hopes that cooperation will continue.

'High-Profile Visits' Boost French Trade Ties
HK2009083695 Beijing CHINA DAILY in English
19 Sep 95 p 5

[By Sun Hong: "Sino-French Kiss Seals Deals"]

[FBIS Transcribed Text] Sino-French trade and economic ties are being boosted by high-profile visits, according to the Ministry of Foreign Trade and Economic Co-operation (Moftec).

Chinese Customs reported that during the first seven months of the year, bilateral trade hit \$2.19 billion, up 12.3 per cent over the same period of last year.

The growing momentum is expected to be maintained in coming months," said Ma She, an official with Moftec's European Affairs Department.

Ma recently accompanied Moftec Vice Minister Shi Guangsheng to France.

During the trip, Shi met senior French officials including French Industrial Minister Yves Galant, and both sides showed satisfaction with the fast-growing economic ties between the two countries since last year, Ma said.

Shi's visit is just one of the many high-ranking visits between the two governments this year which are believed to have helped enhance mutual understanding and pave the way for strengthened Sino-French economic ties.

"Encouraged by the improved government relationship, more French enterprises are becoming active in tapping business opportunities in China," Ma said.

Many big Sino-French contracts have been signed this year, including Yele hydro-power station in Sichuan Province, which will be financed by 217 million francs (\$43 million) of French government loans, and a \$296 million contract on the second phase construction of Luohuang hydro-power station, Sichuan.

Negotiations are also progressing smoothly on France's participation in the second phase construction of the Daya Bay Nuclear Power Station in Guangdong, he said.

Ma pointed out that potential is especially high for developing co-operation between smaller French companies and Chinese enterprises.

"French small and medium-sized enterprises generally have good technology and advanced management skill, which are needed by their flourishing Chinese counterparts," he said.

The two governments are considering ways of supporting such co-operation, he said.

Chinese foreign trade minister Wu Yi has suggested establishing a French industrial park in Wuhan, Hubei Province. The French side has shown interest and negotiations are already underway, he said.

China and France have complimentary economies which makes economic co-operation promising, Ma said.

French enterprises have advantages in energy, transport, agriculture, telecommunications, raw materials and petrochemicals, which are mostly development priorities of China.

By the end of June, China had approved 847 projects involving contracted direct French investment of \$1.47 billion. Actual French investment had accumulated to \$900 million.

France is the third-largest European Union investor in China after Britain and Germany.

Political & Social

Deng's Health Takes 'Turn for the Worse'

HK2009055195 Hong Kong SOUTH CHINA
MORNING POST in English 20 Sep 95 p 12

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] Deng Xiaoping's health has taken a turn for the worse but his medical team does not expect immediate danger.

The Chinese media, however, has been asked to mount a campaign to reassure the public of his relative well-being.

Sources close to family doctors said while the 91-year-old had not been struck by a life-threatening disease, he had lost weight and become "very frail".

The doctors reportedly indicated that the sudden weight loss had affected Mr Deng's ability to take his regular medicines for his long-time battle with Parkinson's disease.

A Beijing source said senior cadres at both the national and provincial levels had been informed of Mr Deng's condition.

But, because of the patriarch's special status, the Politburo [Political Bureau] would not issue an "emergency health notice" to Central Committee members and other senior officials even if his condition were to deteriorate further.

It is a decades-old practice for the authorities to circulate such notices about party elders and high officials close to death.

Diplomats in Beijing said it was necessary for the leadership to reassure both domestic and foreign audiences the senior leader was still all right.

Yesterday, practically all newspapers in the capital broke a taboo by putting on their front pages stories that Mr Deng's health was good for a 91-year-old.

The national media carried the Xinhua (New China News Agency) dispatch quoting premier Li Peng saying on Monday that he and President Jiang Zemin had "very recently" visited the patriarch. "I can tell you he is doing well," Mr Li said.

The headlines in Shanghai's Wen Hui Bao and the Chinese Youth Daily said: "Deng Xiaoping is in good health."

Except for the Shanghai media, the national press has avoided mentioning developments concerning Mr Deng's health.

Political analysts in Beijing said it was significant the national press carried Mr Li's point that Mr Deng "has not taken part in the political life of the country since the 14th Congress of the Communist Party (in 1992)".

"It was during this congress that we created a collegiate leadership with Jiang Zemin at its head and it is this which handles totally independently China's internal and external affairs," Mr Li said.

A source said: "Li Peng is telling the nation that both Jiang Zemin and he are in charge of national affairs."

"The fact that only he and Jiang got to visit Deng is being offered as evidence that the two have edged out other competitors in the power struggle in the run-up to the post-Deng era."

Diplomats expressed surprise that the premier volunteered such sensitive information to the foreign media.

Jiang, Li Address Water Conservation Conference

OW1909142795 Beijing XINHUA in English
1407 GMT 19 Sep 95

[FBIS Transcribed Text] Taiyuan, September 19 (XINHUA) — Chinese leaders today called for various local authorities to pay greater attention to water conservation and to try to improve farming conditions and the environment through greater efforts.

Both President Jiang Zemin and Premier Li Peng gave instructions to a national conference on water conservation held here recently, urging local governments to put greater investment into water conservation projects and to work on bringing irrigation to all farmland.

Addressing the conference sponsored by the State Council, Vice-Premier Jiang Chunyun said that China is a country which is frequently afflicted by both droughts and floods. However, China has had remarkable achievements in the water conservation projects, which have helped economic development and agricultural production.

He noted that since 1990, the country has suffered four severe floods, causing losses worth tens of millions of yuan and tens of billions of kg of grain. He said that it is extremely important and urgent that a water conservation be pursued.

The vice-premier urged local governments to make an overall plan combining flood control with drought-relief measures and to pay greater attention to water conservation.

Liu Huaqing Remarks 'Implicit Criticism' of Jiang
HK2009013795 Hong Kong SOUTH CHINA
MORNING POST in English 19 Sep 95 p 12

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] Army strongman General Liu Huaqing has indicated that cadres being promoted to civilian and military positions must come from different sectors and regions.

In an apparent criticism of the continuing rise of the so-called Shanghai Faction, General Liu pointed out that the principle of the "five lakes and four seas" must be followed in selecting cadres.

The powerful Vice-Chairman of the Central Military Commission made the remarks to an internal conference in the summer, according to Chinese sources.

"We must not restrict ourselves to a certain sector or region in selecting future leaders," the general reportedly said. "We must open up new vistas in organization and personnel work."

General Liu, who is a member of the Politburo (Political Bureau) Standing Committee, has exercised a growing influence in military and civilian affairs.

The Communist Party, Government and the Army are undergoing changes at an unprecedented pace.

Which faction comes up on top after the reshuffle is the key to the balance of power in the post-Deng Xiaoping era.

Political analysts in Beijing said General Liu's remarks, similar to a dictum issued by Mr Deng in early 1994, were an implicit criticism of President Jiang Zemin.

Since becoming general secretary in June 1989, Mr Jiang, a former party boss of Shanghai, has elevated to Beijing a large number of his former associates.

The analysts said relations between General Liu and Mr Jiang, also Chairman of the Military Commission, remained "cordial".

It is understood, however, that General Liu, 79, had resisted hints by cadres close to Mr Jiang that he step down next year.

The general recently told a pro-Chinese newspaper in Hong Kong that he worked more than 10 hours a day, an indication that he was not about to call it quits.

Western diplomats in Beijing said Mr Jiang and his Shanghai Faction would face "tough pressure" at the forthcoming fifth plenum of the Central Committee.

They said committee members from central and western provinces and cities had continued to complain over

their lack of representation in major bodies such as the Politburo.

As a result of such criticism, Mr Jiang has recently put a virtual moratorium on the transfer of Shanghai cadres to Beijing.

Song Jian Urges Practical Environmental Policy
HK2009083095 Beijing CHINA DAILY in English
19 Sep 95 p 1

[By Liu Yinglang: "China Looks For Practical Policies on Environment"]

[FBIS Transcribed Text] China must focus on practical environmental policies in the coming years, said State Councillor Song Jian.

He opened the fourth session of the China Council for International Co-operation on Environment and Development (CCICED) in Beijing yesterday.

"It is imperative that we design, try out and demonstrate a number of practical policies in certain regions and sectors," said Song, Chairman of both CCICED and the Environmental Protection Commission of the State Council.

At the end of the year the State Council will hold the Fourth National Conference on Environmental Protection to define specific environmental protection objectives for the Ninth Five-Year Plan period (1996-2000). A national Cross-Century Green Plan will be formulated, Song said.

He said the country will utilize the experience of other countries such as pricing and tax policies. These will get trials in China first in specific regions or sectors and, if successful, be applied to the entire country.

More effort will be put into major projects such as preventing and controlling water pollution in Huaihe River Valley and Taihu Lake.

During the 1996-2000 period, the country's economy will continue to develop at a speed of 8 to 9 per cent, exerting huge pressure on the environment. This means China must pay more attention to co-ordinating environmental protection with development, Song said.

Police Launch 'Crackdown' on Tibet 'Disidents'
HK2009020595 Hong Kong SOUTH CHINA
MORNING POST in English 19 Sep 95 p 12

[By Robert Barnett]

[FBIS Transcribed Text] A display of pro-independence posters in a remote area of eastern Tibet has led to a

campaign by police against dissidents resulting in at least five arrests.

One Tibetan is said to have received a seven-year prison sentence, while one monk has become partially paralysed and another has disappeared.

The police crackdown, believed to have been running for the last three months, was declared a success in a local paper last week in Gansu province.

Police had sought "to expose organisations and to overthrow cases of underground activity" said the Gen-lho Saag-gyur.

The crackdown, which has led to at least two appeals from local Tibetans for international intervention, follows the appearance of illegal posters in March in Ngulra and in May in Xiahe.

Three weeks ago 3,000 Chinese troops began a series of military exercises, which are continuing, near Xiahe, a move which a Tibetan source claimed was an attempt to intimidate local Tibetans after the pro-independence posters appeared at Labrang monastery in Xiahe county.

One of the monks detained in the crackdown, Jigme Gyatso, is said to be partially paralysed after being beaten very badly by a "young policeman who was drunk."

The monk was detained on May 19 by the Xiahe County police on suspicion of involvement in putting up posters at Labrang.

"After the beating Jigme couldn't move his arms and legs. When police thought that he was going to die they demanded money from his parents before they would release their son," said the source, who claimed that the parents paid 1,000 yuan (HK\$930) for his release.

A layman, Drolkar Gyap, who was arrested in the crackdown, was sentenced in June to seven years in prison for "political reasons", according to a report from China.

Drolkar, 26, from Maqu county, is believed to have visited India and may have been accused of links with the exiled Tibetan government.

Another activist from Labrang detained 10 months ago is still missing, according to several reports. Benza Trinley, a 26-year-old monk, was detained by police in Xiahe in November 1994 after he made a trip to Lhasa.

Benza Trinley had been told not to leave the area after being detained in Xiahe for two months in July 1993 on suspicion of putting up pro-independence posters.

Gu Jiaqi Reports on Organizational Reform
OW1909141595 Beijing XINHUA Domestic Service in Chinese 0819 GMT 15 Sep 95

[By reporter Zhao Haibo (6392 3189 3134)]

[FBIS Translated Text] Jinn, 15 Sep (XINHUA) — A national meeting on publicizing organizational reform was held in Jinn recently.

Gu Jiaqi, deputy general office director of the Central Organization Commission, delivered a report at the meeting on the progress of organizational reform. Persons in charge of general offices of provincial, municipal, and autonomous regional organization committees discussed issues concerning publicizing organizational reform.

Currently, organizational reform is being carried out nationwide in a planned and gradual manner. It is learned that reform of departments of the party Central Committee and the State Council was basically accomplished by the end of last year — functions of various departments were changed, inter-departmental relations were further regulated, and streamlining tasks outlined by the central authorities were completed. Provincial level reforms for Liaoning, Shaanxi, and six other provinces were accomplished and those for Jiangxi, Hunan, and eight other provinces, municipalities, and autonomous regions are nearing completion. Reforms for counties, townships, and cities of some localities was also completed. In addition, overall plans will be made for reforming business units.

This is the last of the three-year period, determined by the party Central Committee and the State Council, in which organizational reform tasks will be basically accomplished. Therefore, the meeting pointed out that it is necessary to unwaveringly fulfill organizational reform tasks and strengthen the management of organizational establishment.

Military & Public Security

Navy Develops New Series of 'Special Shells'
HK2009024695 Beijing JIEFANGJUN BAO in Chinese 8 Aug 95 p 1

[By Chen Wanjuan (7115 8001 6511) and Zhang Jian (1728 0494): "Chinese Navy Develops New Series of Special Shells"]

[FBIS Translated Text] After more than 20 years of hard work on key problems, the Navy representative office in Factory 672 and Chinese arsenal experts have developed six series of 18 types of naval special shells, eight of which are new in China.

Special shells are "the only sons" in the naval weaponry family. Naval representatives and weaponry experts have devoted enormous effort to developing the fighting capacity of "the only sons." They have conducted as many as 100 range tests for each type of shell and have collected up to 10,000 sets of technological data. The selection of ignition materials for an incendiary explosive shell is a key technology. By drawing up more than 20 programs, conducting over 100 comparative tests, and applying over 30 new technologies, materials, and techniques, they have developed a new explosive incendiary shell that has the strongest antipersonnel capability on naval targets. This shell has won the first-class scientific and technological progress award given by the Ordnance Industrial Corporation.

***Better Tactical Training Emphasized**

95CM0415A Beijing JIEFANGJUN BAO in Chinese
18 Jul 95 p 1

[Unattributed commentary: "Fine Momentum in Both Training and Reform"]

[FBIS Translated Text] With the arrival of midsummer, military training has entered the tactical training stage. Depending on the reform and training tasks for which they are responsible, each unit is concentrating on key points, making overall arrangements, and providing tailored direction for using reform as a means of stimulating training, and training as a means of advancing reform. Not only have training programs, personnel, and scheduling been worked out fairly well, but quality is also better than in previous years. Important advances have also been made in training reform; tactics used as the centerpiece in the study of high technology warfare. This has laid a fine foundation for high quality fulfillment of training and reform tasks for the entire year.

However, judged in terms of the demands of the Military Affairs Commission and General Headquarters, we must realize clearly that some weaknesses remain in military unit training. Some units do not have a sufficiently clear conceptual approach in directing training and reform; some units do not pay sufficient attention to the regular, central task that is military training; and in some units, problems continue with cadres being incapable of organizing training, not knowing how to train, or not daring to train for fear that accidents may occur. This affects the quality of both training and reform. Leaders and organizations at all levels must devote sufficient attention to these problems and weaknesses, and take real actions to solve them.

This is a key year for realizing the entire armed forces' training reform goals of the past three years. Ability to complete the year's tasks at a high standard and qual-

ity not only affects the on-time completion of the entire armed force's training reform plan, but will also affect the future military training of China's armed forces. Leaders and organizations at all levels must carry out the military strategy plan of the new era and the requirements of Chairman Jiang's "five sentences." They must improve every aspect of building the armed forces, and they must understand profoundly the importance of doing so. Half the year has passed. Both training and reform tasks during the second half of the year will be more daunting. Leaders and organizations at all levels must increase their sense of responsibility and urgency, and they must work harder. Principal leaders must devote their main energies to training. This is an important way to overcome weaknesses in training and produce high quality results. We must make organization and command more scientific, and we must truly improve leaders' work styles. We must use a scientific and strict work style and a truth-seeking and pragmatic attitude, become closely involved in real life, investigate and study, pay close attention to key points, study new problems, and solve new problems. We must improve examination and supervision of training and reform, uphold standards, test rigorously preliminary to acceptance, and ensure high quality results.

The key to making new progress and new advances in training during 1995 lies in attaining high quality reform results. Therefore, we must clarify our approach and concentrate energies on key and difficult problems. We must pay close attention to training trials and verification of new program outlines. This is the foundation for training reform. We must apply scientific quantitative analysis and qualitative recommendations to problems such as the training curriculum, content, and examination of results using trial training and validation to do so. In this way, the content of a new generation of training will truly be pertinent, scientific, and complete. We must address the study of tactics for high technology warfare. This is the very heart of training reform. We must use achievements made in the study of tactics during the past two years as a basis for refining, verifying, and tackling key problems in an effort to break new ground. We must test and verify each particular through training and exercises. We must work on and improve our real war capabilities and explore corresponding effective training approaches. This is a way to turn results obtained from reforming training content into "bridges" and "ships" to real capabilities. We must use more field, mobile, coordinated, and countermeasures training to make training more difficult as a means of improving training quality. We must actively explore effective ways to conduct simulation training and base training, and we must improve the way training is organized to increase effectiveness. In short, only by paying

very close attention to key difficulties and problems can we produce high quality reform results and accelerate overall progress in training reform.

Full arousing everyone's interest in making a concerted effort on training reform is also of major importance in overcoming training weaknesses. Training reform is a piece of systems engineering that requires effective political, logistical, and technical support and backing. As the units primarily responsible for training, command organizations at every level must take the initiative in coordinating efforts to obtain the active participation and support of political, logistical, and technical units. In the course of training reform, they must use political work to the fullest, and make the most of the support role of logistics and technology. Military units, colleges, and scientific research units must take the initiative in coordination, work closely together, make full use of all advantages, maintain and develop a fine training and reform momentum, and spare no effort to ensure completion of training reform tasks.

***Army Academy Conducts High-Tech Tactical Training**

95CM0415B Beijing JIEFANGJUN BAO in Chinese
15 Jul 95 p 1

[Article by Special Correspondent Zhou Lei (0719 5628) and Reporter Jiang Ning (1203 1337): "'Blue Army' Training Officers Are Able, But 'Red Army' Trainees Are 10 Times More Wily. Jinan Army Academy Uses Field Exercises to Spur Trainees Mastery of Tricks to Win Victory Over Enemies"]

[FBIS Translated Text] A number of high caliber "Blue Army" training officers are playing an ever more important role on the Jinan Army Academy's teaching and scientific research stage.

At the well-known former Laiwu battlefield, correspondents witnessed a unique live field exercise. The trainees, who came out of thatched huts, first played the "Red Army," and the experienced and astute training officers played the role of the "Blue Army." The armies battled at close quarters.

After several years of preparation, this army academy was employing a unique foreign army training system as

part of the Military Affairs Commission's strategic plan for the new era. Pitting the high caliber "Blue Army" training officers against trainees in a field exercise forced the "Red Army" trainees to master the skills for winning victory over enemies, thereby spurring improvements in the overall level of instruction and scientific research.

During the course of intensifying teaching reform, they found that former foreign army instruction methods did not meet the needs of modern warfare. Thus, they selected training officers of fairly high caliber to form a foreign army instruction team that explored new foreign army teaching approaches. The director of the military academy, Li Hongcheng [2621 3163 4453], said that instructors taught by the book, under the traditional teaching method, and made the trainees study. In setting up the "Blue Army" training officer corps, however, instructors racked their brains for ways to stymie the trainees. This new teaching method was effective in improving the academy's level of foreign military instruction.

During the field exercise, "Blue Army" instructors used high-technology military equipment similar to that used by foreign armies and challenged the "Red Army" trainees by simulating the combat methods of foreign military units below the infantry battalion level. The "Red Army," which was equipped with current Chinese army weaponry, resisted. The "Red Army" is currently training under various complex circumstances such as in hills, mountain regions, and rivers.

On the battlefield, they were enemies; off the battlefield, they are comrades-in-arms. After a period of field exercises, instructors and trainees return to the classroom for an academic assessment and to work out together the best ways to down an enemy and attain victory. On the basis of the field exercise, they wrote more than 100 treatises of some academic value titled, "Some Thoughts About Night Warfare Under High-Technology Conditions." Both the "red" and the "blue" armies used these as a basis for deploying in battle an array of field exercises. It is through such a cycle that they steadily progress in shaping an instruction posture in which the "Blue Army" training officers are capable, and the "Red Army" trainees are 10 times more wily.

General

Vice Minister Zhang Haoruo on Economic Reform
OW2009063795 *Beijing BEIJING REVIEW in English*
11-17 Sep 95 No 37, pp 13-16

[Article by Zhang Haoruo, vice minister of the State Commission for Economic Restructuring: "Economic Reform Progresses Smoothly"]

[FBIS Transcribed Text] China's economic reform has proceeded smoothly under the guidance of the plan adopted earlier this year by the Central Committee of the Communist Party of China and the State Council. A brief introduction of the reform endeavors in various sectors follows.

Reform of State-Owned Enterprises Unfolds in an All-Round Manner

Reform of state-owned enterprises is one of the key aspects of the country's overall economic reform for this year, with efforts in the former focusing on revitalizing the state-owned economy and linking reform with the reorganization and transformation of enterprises, and the intensification of management. The combined effort is designed to accelerate state enterprise reform centered on establishing a modern enterprise system. Major progress has been achieved in the following areas.

Firstly, efforts have been made to lay a solid foundation for establishing a modern enterprise system and advancing the transfer of the operational mechanisms of the majority of enterprises. An evaluation of fixed assets and funds of 150,000 state-owned enterprises and 8,700 financial institutions at and above the county level was initially completed in 1994. Various localities are currently paying close attention to the work and are striving to complete the general evaluation of the assets and funds of all state enterprises within this year. Measures have been introduced to further implement the Regulations on the Transfer of the Operational Mechanisms of Enterprises and the Regulations on Supervision and Management, thereby expanding the effort to grant greater operational independence to enterprises. The management of enterprises has been intensified by introducing a state assets management responsibility system designed to ensure the preservation of state-owned assets, while at the same time increasing their value. A new system for evaluating the returns of enterprises has been introduced, along with efforts to improve related financial accounting systems. Reform of the labor, personnel and wage systems of various enterprises is continuing.

Secondly, the pilot program for introducing a modern enterprise system is being carried out. In addition to the initial 100 enterprises, 56 enterprise groups and

three shareholding companies the State Council selected to experiment with the program, various localities and sectors have selected over 2,000 enterprises to participate in their own pilot programs. By early May, more than 80 of the 100 pilot enterprises at the state level had submitted plans of action. The State Commission for Economic Restructuring and the State Economic and Trade Commission, which are in charge of the work, held respective meetings in Chengdu and Shanghai in April and May to review the progress of the pilot program and draft plans for the next stage. Some experimental enterprises are currently engaged in the implementation process.

Thirdly, steady progress in promoting the flow and realignment of state-owned reserve assets has accelerated readjustments to the enterprise system. During an address to the Third Session of the Eighth National People's Congress, Premier Li Peng pointed out, "The reform of small state-owned enterprises should be intensified in a variety of ways such as through merging, a system of joint-stock and cooperation, and reorganization through leasing, contract or sale by auction." The reform of small enterprises has been accelerated accordingly, with Guangdong, Shandong, Sichuan provinces and Wuhan and Chongqing cities making great headway in this regard. One of the purposes of reform is to spur the unification of small enterprises. Conditions permitting, small enterprises can be transformed into shareholding firms and various other forms of collective entities. For example, collectives and individuals can enter into leases or contracts for enterprises, in addition to purchasing same in auctions. At the same time, large and medium-sized state enterprises with good economic returns and growth potential are encouraged to assume control of small inefficient, or loss-making enterprises through mergers, direct purchases, shareholding or forming partnerships to increase productivity. With regard to the transfer of property rights, measures have been adopted to prevent the loss of state-owned assets, including correctly evaluating assets and open market bidding. State-owned assets cannot be shared without proper authorization, nor can they be allocated to enable individuals to line their own pockets. Income from transfers of property rights should be strictly managed and used specifically as reinvestment funds for state capital.

Fourthly, various methods have been explored to help state-owned enterprises extricate themselves from accumulated difficulties and in turn create conditions for establishing a modern enterprise system and ensure further development. The State Commission for Economic Restructuring has worked closely with other government departments to carry out a trial debt realignment pro-

gram in Xian and Ningbo, both of which are pilot cities designated to carry out comprehensive reform. The State Economic and Trade Commission, the State Education Commission and three other ministries jointly issued guidelines for transferring social service functions currently shouldered by enterprises and tapping new job opportunities for redundant employees. Specific methods have been introduced for separating the public social service and welfare functions of enterprises. Finally, measures are being explored for the entrustment of the management of state-owned assets and improving the operational mechanisms of enterprise groups.

Steady Progress Made in Experimental Reform of the Social Security System

The State Council has clearly stipulated that a method for combining the socialized management of old-age pensions with personal savings will be introduced and has in turn approved a corresponding reform program. The State Commission for Economic Restructuring has selected 20 cities responsible for carrying out the program on a trial basis. Most cities are currently implementing the pilot program properly, while others are still in the preparatory stage. Experimental reform of the medical insurance system is under way in Jiujiang and Zhenjiang. Unemployment insurance has been expanded to cover more people, and a better method for allocating unemployment relief benefits has been introduced. In addition, some cities have launched reemployment programs to support enterprise reform.

Macro-Management System and Legislative Work Have Improved

Reform of the financial system has been the subject of marked progress since enactment of the Law of the People's Bank of China, the Law on Commercial Banks and the Commercial Paper Law. An improved financial system has emerged in China, with the People's Bank of China assuming the leading role and state-owned commercial banks serving as the core. The system also features the coexistence of diverse forms of financial institutions operating in cooperation, with a proper division of work. The open market operations of banks introduced in the first half of this year further strengthened the standards of the financial market.

In the realm of taxation reform, steps have been taken to further improve the system of sharing tax and the turnover tax system based on the value-added tax, as well as to accelerate efforts to issue and market state treasury bonds and enhance the overall financial functions of the state. The former practice of government overdrafts for bank loans has been replaced by a system under which the central bank holds state

treasury bonds. Studies concerning the transfer payment system between central and local financial departments are continuing.

Progress in Major Aspects of Reform of the Circulation System

A major step in the reform of the country's circulation system revolves around the introduction of chain stores in large and medium-sized cities nationwide. The effort is designed to solve problems resulting from decentralized locations, small-scale operations, low efficiency and the former unitary line of business activities characteristic of various commercial establishments.

In an effort to improve the market competitiveness of state-owned materials supply enterprises and give full play to their role as a bridge linking producers and users, the state materials supply sector has introduced the agent purchase system, which has in turn effectively established a new relationship between industry and commerce.

The first six months of this year witnessed progress in the reform of the state grain purchase and marketing system and the introduction of the provincial governor responsibility system for self-sufficiency in grain. State grain supply enterprises in Henan, Hebei, Hunan, Zhejiang and Heilongjiang provinces and Tianjin are currently implementing a policy of separating operations from commercial performance, with the effort enhancing state macro-regulatory control over the grain market.

The All-China Supply and Marketing Cooperative, established in the first half of this year, has greatly promoted reform of the rural circulation system.

In addition, notable achievements have been made in standardizing market operations, rectifying order in the circulation sector and adopting related laws and regulations.

Continuing Experimentation With Comprehensive Urban and Rural Reform

The pilot program for comprehensive urban reform being carried out by 18 major metropolises and associated cities focuses on deepening enterprise reform, readjusting the economic structure, fostering a market system and accelerating reform of the social security system.

Comprehensive reform, introduced two years ago in 15 counties, has witnessed initial progress. Experience has been accumulated with regard to accelerating reform of small county-owned enterprises, with the effort invigorating the economies of various counties. In April this year, the State Commission for Economic Restructuring

joined with 13 other ministries and commissions to issue the Guidelines for Carrying Out Pilot Comprehensive Reform in Small Towns. Thus far, pilot programs have been introduced in 50-odd small towns in 20 provinces.

Progress in Housing Reform

A nationwide public housing fund is currently being established. Greater efforts have been made to accelerate reform centering on steadily increasing rental fees and selling public housing in order to accelerate the process of commercializing the sector.

The aforementioned reform endeavors have contributed to securing sustained, rapid and healthy economic development. The first six months of the year witnessed a steady decline in the national economic growth rate, price hikes eased up somewhat, and social supply and demand remained in balance. Foreign trade grew rapidly, with the total import and export volume for the first five months surpassing U.S.\$100 billion. Foreign exchange reserves continued to rise, and the overall financial situation took a turn for the better. The current monetary supply is somewhat lower than that in last year's same period. Financial revenue continues to grow, and the national economy is developing in line with established objectives. Efforts over the coming months are expected to make it possible to maintain the growth rate of prices at around 15 percent for the year.

New Policies Established for Shanghai's Pudong

OW2009034795 Beijing XINHUA in English
0326 GMT 20 Sep 95

[FBIS Transcribed Text] Shanghai, September 20 (XINHUA) — The central government of China has decided to grant a series of new policies to promote the development of the Pudong New Area in Shanghai, China's biggest industrial city, and reinforce the reform and opening pace in the region during the ninth five-year plan period (1995-2000).

The new policies stipulate that the financial system in Pudong will be brought into line with the new taxation system.

From now on, the Pudong New Area will be asked to open its foreign trade market to other provinces and cities in China.

A domestic foreign trade business which has an annual export volume of more than 100 million US dollars, and a production enterprise which has an annual export volume of over 20 million US dollars, will be encouraged to open branches in the new area after getting approval from the Ministry of Foreign Trade and Economic Cooperation.

Three to four Sino-foreign joint ventures in foreign trade will be approved to be set up in the region.

The new policies also permit the Pudong New Area to continue to carry out trial operation of economic reforms.

As soon as the central government approves foreign banks to conduct Renminbi trading business, experimental operations will be carried out first in the Pudong New Area. The several foreign banks which have already entered the zone will get priority.

In addition, bonded commercial activities, except retail sales, are permitted in the Waigaoqiao Free Trade Zone.

A number of foreign-owned or Sino-foreign insurance agencies are encouraged to set foot in the Pudong New Area.

Beijing Moves Development to Center, West

HK2009090995 Hong Kong HONGKONG
STANDARD in English 20 Sep 95 p 7

[By Wu Zhong]

[FBIS Transcribed Text] Poor provinces in western China have started to make public their battle for more capital investment from the central government after being denied preferential treatment.

Cheng Andong, governor of the northwestern province of Shaanxi, yesterday said that the central government had decided to shift the country's development strategy to focus on central and western regions.

Capital investment from Beijing would, he said, flood into the poor central and western regions during the Ninth Five-Year Plan (1996-2000) and the early years of the next century.

So far, however, Beijing has not spelled out its policies regarding development in the poorer regions, except repeatedly making vague remarks. Some provinces have expressed their dissatisfaction.

Mr Cheng, though, insists that two of the three major railways China planned to build in the next five years would be located in Shaanxi province.

He said that his province would take the opportunity to make its economy take off.

"In the big upsurge of cultivating the central and western areas, Shaanxi will play a decisive role," the governor said.

Mr Cheng made these remarks one day after Shanghai's Pudong development zone announced a series of new incentives granted by the State Council, China's cabinet,

to further push its economic development and open up to the outside world.

His remarks were also made during a widely publicised power struggle over whether Beijing should continue to grant preferential treatment to the existing special economic zones (SEZ).

Mr Cheng's announcement made it clear that the poor west and the rich east were now competing against each other to strive for a bigger slice of the cake of the Ninth Five-Year Plan which was under amendment, analysts said.

As reforms have opened up the economy in recent years preferential treatment by Beijing has boosted the rapid growth in the eastern coastal regions, making the east-west wealth gap even larger.

At this year's National People's Congress (NPC) meeting in March, China's central government had to adjust its policy and promise to shift its focus to the cultivation of the vast central and western regions.

During and after the NPC meeting, several poor western provinces tried to press Beijing to let them set up SEZs and enjoy preferential treatment.

However, economic officials in the central government have ruled out the possibility of granting any SEZs to the central and western provinces, but promised to boost their economies in other ways.

To prove Shaanxi's potential for economic takeoff, Mr Cheng said the province was rich in natural resources such as coal, natural gas and oil.

"Therefore in China's future economic development Shaanxi will provide ample energy and power so as to become an important energy base for China," he said.

To show Shaanxi's importance as a major transportation hub, Mr Cheng said his province would become a centre of transport, goods and information in the whole west. The governor said Shaanxi's advantages enabled the province to move forward from a province of natural resources to an economic one.

He added that in the near future China's investment would concentrate on energy and transportation which would make Shaanxi a market with great potential.

Report Urges Modification of Economic Structures
HK2009083395 Beijing CHINA DAILY in English
19 Sep 95 p 4

[By An Lu: "State Should Modify Economy"]

[FBIS Transcribed Text] Modification of economic structures should be on top of the agenda for China's economic development in the Ninth Five-Year Plan

period (1996-2000), said a recent report by the State Statistics Bureau (SSB).

The task includes adjustment of the industrial structure, income distribution system and investment structure.

At the same time, a moderate economic growth rate should be maintained, the SSB suggested, basing its analysis on the nation's economic progress in the Eighth Five-Year Plan period (1991-1995).

In the Eighth Five-Year period, China is setting a record for economic growth, SSB statistics indicate.

The gross domestic product (GDP) is estimated to have experienced an annual growth rate of 11.7 per cent and will reach 18,000 billion yuan (\$2,168 billion) by the end of 1995.

During the Seventh Five-Year 1986-1990) and Sixth Five-Year (1981-1985) periods, the annual GDP growth rate was, respectively, 7.9 per cent and 10.7 per cent.

The rapid economic growth has greatly improved China's economic strength and the people's living standard, the report said.

But the continuous rapid growth has also brought about high inflation, which is harmful to economic development and social stability.

In the past 26 months China has been experiencing price rises. The 21.7 per cent inflation rate in 1994 was the highest in history.

Since China's per capita GDP is only 3,675 yuan (\$437), robust economic growth is still necessary to upgrade the national economy, said the report.

It predicted that in the Ninth Five-Year Plan, the economy should grow at an annual rate of 9 per cent.

Proper plans should be made to avoid inflation brought about by the high growth rate, it said. One approach is to modify the industrial structure.

During the Eighth Five-Year Plan period, the proportion of farming industry in the GDP dropped. In 1995 it hit a record low of 18 per cent.

The final figure for the period is predicted to reach 20 per cent, a 6.3 percent drop from that of the Seventh Five-Year Plan period.

Manufacture and building industries have experienced steady growth during the period, said the report. Their proportion to the GDP will reach 47 per cent by the end of 1995.

At the same time the proportion of tertiary industry to the GDP will increase by 2.5 percentage point to reach 33 per cent.

Such changes are reasonable because China is experiencing industrialization, said the report.

But the sharp decline in agriculture is worrisome, it said.

Without the steady growth of agriculture, the development of other industries will lose its base.

The lack of agricultural products will also flame inflation and cause instability in the world's most heavily populated country.

Investment structure should also be modified to promote efficient economic development said the report.

From 1991 to 1994, national investment largely increased. The proportion of investment in fixed assets to GDP was 33 per cent, 5.8 percentage points higher than that in the Seventh Five-Year Plan period.

The efficiency of investment, however, was not satisfactory the report said.

It is estimated that during the Eighth Five-Year Plan period, the national stockpile has made up 5 per cent of the GDP. This figure is much higher than the 1 per cent proportion in developed countries.

State finance should be strengthened so the government can play a more active role in adjusting the economic structure, said the report.

Owing to the reform of the income distribution system in recent years, government income has dropped, while that of individuals and enterprises has increased.

In the Eighth Five-Year Plan period government income makes up only 12 per cent of GDP; the other 88 per cent is from non-governmental sectors.

Increased income has invigorated enterprises and improved the people's living standard.

But the government's ability to adjust the economy has weakened with the drop in its income proportion, said the report.

It suggested that measures should be adopted to increase the government's income so that it can play a stronger role in adjusting the economy.

Overseas Accountants Take Certification Tests

OW2009035595 Beijing XINHUA in English
0331 GMT 20 Sep 95

[FBIS Transcribed Text] Shenzhen, September 20 (XINHUA) — More than 1,800 overseas accountants participated in the '95 China Accountant Certification Test days ago, representing a six times' jump over the figure for last year.

In the Shenzhen test center alone, nearly 1,200 professional accountants from Hong Kong, Macao, the United States, Britain, Canada, Australia, Singapore, Malaysia and Japan, competed with their Chinese colleagues for accountant certificates.

Most of the overseas candidates are already certified professional accountants in their countries and regions.

However, to acquire a Chinese accountant certificate, they have to pass examinations of financial management, accounting, auditing, economic law and taxation law.

The rapid economic development of China has promoted its accounting and auditing businesses, and it gives rise to overseas accountants' interest.

A high-ranking official said that the Chinese government will soon discuss the issue of mutual recognition of accountant certificates, as well as the problem of qualified overseas accountants conducting accounting business in China.

Jan-Jul Real Estate Investment Growth Slows

HK2009082995 Beijing CHINA DAILY in English
18 Sep 95 p 1

[By Yang Yingshi: "Real Estate on Right Road"]

[FBIS Transcribed Text] Growth in real estate investment slowed down in the first seven months of this year thanks to government control, according to a State Statistics Bureau report.

From January to July, 75.23 billion yuan (\$9.06 billion) was invested in real estate development nationwide, accounting for 15.9 per cent of the national investment in fixed assets as a whole.

The ratio is almost equal to that of the same period last year.

Investment in commercial housing—which includes apartments, office buildings and complexes for businesses—reached 67.18 billion yuan (\$8.09 billion), an increase of 17.2 percent.

But the growth rate was 39.7 per cent lower than during the same period last year.

Such a pace is exactly what the government is trying to achieve in its national macro-economic management scheme.

The hefty increase in the real estate sector during the last few years is said to have helped create economic bubbles and build up inflationary pressures.

Investment in commercial apartments reached 44.70 billion yuan (\$5.39 billion), accounting for 66.7 per cent of the investment in commercial housing projects. The volume represented a year-on-year decrease of 4.42 per cent.

The growth rate of investment in commercial apartments dropped by 59.62 per cent compared with the same period last year.

As the State has set limits on luxury building projects this year, the floor space of such newly started projects is decreasing. However, the report says ongoing construction is developing steadily.

In the first seven months 235.76 million square metres of commercial housing floor space were under construction, including 171.64 million square metres, or 72.80 per cent, of commercial apartments.

About 23.16 million square metres of commercial housing was completed in the first seven months of this year, including 19.36 million square metres, or 83.61 per cent, of commercial apartments.

The finished office building and building projects for commercial use accounted for 4.87 per cent and 7.74 per cent respectively.

Compared with the same period last year, commercial housing construction floor space increased by 6.2 per cent, and finished floor space increased by 11.1 per cent.

But the growth of the two figures decreased by 35.7 per cent and 47.5 per cent respectively from the same period a year earlier.

Finance & Banking

Bank of China To Continue Tight Monetary Policy
HK2009020395 Hong Kong EASTERN EXPRESS
in English 19 Sep 95 p 20

[FBIS Transcribed Text] The People's Bank of China, the country's central bank, will continue its tight monetary policy to combat strong inflationary pressure, the governor of the bank, Dai Xianglong, said.

China's macro-control policy has achieved part of its goals in bringing down inflation, economic growth, investment in fixed assets and money supply growth, the Financial News newspaper quoted Dai as saying during an inspection tour of Xinjiang.

However, inflationary pressure remains strong, with agriculture weak, fixed-asset investment still high and the mounting debts of state-owned enterprises posing a threat to the operations of China's state banks, he said.

PCBC To Be Clearinghouse for Civil Aviation Industry

OW1909154995 Beijing XINHUA in English
1455 GMT 19 Sep 95

[FBIS Transcribed Text] Beijing, September 19 (XINHUA) — The People's Construction Bank of China (PCBC) has set up a billing and settlement clearing bank for China's civil aviation industry.

According to an agreement PCBC signed here today with the International Aviation Transportation Association (IATA), PCBC will handle all of China's civil aviation ticket transaction, which stand at 12 billion yuan annually and are expected to rise to 22 billion yuan in the future.

The IATA plan is to provide simpler connections between airlines and their agents. Three airlines in China have joined IATA, and more have applied to become.

To bring the civil aviation sector up to international standards, the Civil Aviation Administration of China has decided to develop its own billing plan this year.

Three Chinese financial institutions, including the Industrial and Commercial Bank of China and the Bank of China, competed to be the clearing bank. After careful consideration, IATA accepted PCBC as the world's 57th clearing bank at a convention in Geneva.

PCBC is gearing up efforts to establish a special center to provide the clearing services, said Tian Guoli, a senior PCBC economist.

"This is the first time PCBC has managed to acquire business through bidding," said Tian. "It will help PCBC develop into a truly commercial bank."

Foreign Trade & Investment

Jiang Zemin Meets Microsoft President
OW1909034795 Beijing XINHUA in English
0254 GMT 19 Sep 95

[FBIS Transcribed Text] Beijing, September 19 (XINHUA) — Chinese President Jiang Zemin met and had a cordial talk with William Gates, president of the Microsoft Corporation of the United States, and his party here today.

During the meeting, Jiang expressed his appreciation of Microsoft's active cooperation with China in the computer software sector.

The Chinese president also voiced the hope that more US businessmen would come to know about China's reform and opening up and its socialist market economy

so as to further promote the economic and technical collaboration between the two countries.

Gates said that during his current trip to China he witnessed China's potential market and human resources.

The cooperation between Microsoft and China has bright prospects, he added.

Wu Bangguo Meets With U.S. Businessmen 18 Sep
OW1809132795 Beijing XINHUA in English
1235 GMT 18 Sep 95

[FBIS Transcribed Text] Beijing, September 18 (XINHUA) — Chinese Vice-Premier Wu Bangguo met here today with Eckhard Pfeiffer, president and chief executive officer of the Compaq Company of the United States.

Wu said that he hopes Compaq will cooperate further with the Chinese in the computer business.

He also expressed his appreciation for Compaq's strategic vision of having long-term cooperation with China, and for its efforts at developing trade between the two countries.

He emphasized the fact that China has taken various steps to increase intellectual property rights protection.

Pfeiffer gave a talk on business developments at Compaq Computer Technologies (China), Ltd., saying that since there is great potential for China's computer industry, Compaq will strengthen ties with China.

Established in the early 1980s, Compaq is one of the largest manufacturers of personal computers in the world.

Compaq Computer Technologies (China), a joint venture between Compaq and China's Stone Company, has exports valued at 150 million US dollars so far this year.

World Bank Loans Help Gansu To Eliminate Poverty

OW1909111095 Beijing XINHUA in English
0807 GMT 19 Sep 95

[FBIS Transcribed Text] Lanzhou, September 19 (XINHUA) — Since 1985, northwest China's impoverished Gansu Province has signed a total of 13 loan agreements with the World Bank according to provincial officials.

Amounting to 250 million US dollars, the loans have helped pay for water and soil conservation projects, and those for education, hygiene, and rural and township enterprises.

The largest, an irrigation project involving 126 million US dollars in loans, will eventually provide irrigation

for an additional 57,000 ha [hectare] of farmland and help feed more than 300,000 farmers.

Bank president James Wolfensohn said during a recent visit to Gansu that the World Bank treasures its successful cooperation with Gansu and is considering further steps for cooperation.

Sources here say that the province's Shulehe River Agricultural Development Project, which is expected to cost 2.5 billion yuan, using 150 million US dollars from the World Bank, has had the bank's initial appraisal.

The sources noted that the project is designed as a strategic poverty reduction measure for Gansu, and added that another three loan projects are being negotiated.

Guangdong Launches Drive Against Pornography *HK2009040295 Guangzhou GUANGZHOU RIBAO* *in Chinese 19 Sep 95 p 1*

[Report by Chen Xuebing (7115 7185 0393): "In Drive To Wipe Out Pornography and Illegal Publications, It Is Imperative To Dig the Roots and Source and Thoroughly Crack Major and Important Cases"]

[FBIS Translated Text] Guangdong's 1995 Autumn and Winter Work Conference on Wiping Out Pornography and Illegal Publications was held yesterday in the Zhudao Guesthouse. The conference studied the current situation and, in particular, screened the work of cracking down on the reproduction, selling, spreading, and smuggling of reactionary, erotic, and illegal audiovisual products as well as books and electronic publications.

More than 80 people attended the conference. They include Huang Huahua, deputy secretary of the provincial party committee; Lu Zhonghe, standing committee member of the provincial party committee and vice governor; officials responsible for the departments concerned of the provincial government; deputy secretaries and vice mayors of Guangzhou, Shenzhen, and 13 other cities in charge of the work; and directors of social management offices of these cities. Comrades from relevant central departments also attended the conference and delivered speeches.

At the conference, Huang Huahua delivered an important speech. He said: The provincial party committee and government have always attached great importance to the work of wiping out pornography and illegal publications. Since last winter, Guangdong has vigorously strengthened protection of intellectual property rights, achieved marked successes in sternly cracking down on piracy which infringed upon intellectual property rights, purified the market for audiovisual products and electronic publications, cracked major and important cases

one after another, and enhanced publicity and education in wiping out pornography and illegal publications. Huang stated: We should never underestimate the problems in this field, which include the reappearance of illegal publications shortly after the drive to screen and wipe out them out from the market for audiovisual products and electronic publications; the weak link in regular management work in some localities; and loose management over the manufacturers involved in audiovisual products and electronic publications and shops selling such goods. Apart from the "shortcut" sought by those who intend to make exorbitant profits, there are the following two main reasons for these problems: First, the problem of understanding has not been resolved. Some comrades are influenced by such erroneous ideas as "control over piracy will not work" and "do not be too impatient in cracking down on pornography." Second, local and departmental protectionism is not yet eradicated in some localities. Huang continued: We should fully understand the great harm to the building of socialist spiritual civilization brought about by the production, sale, proliferation, and illegal publication of pornographic articles, which seriously interferes in normal production and operation. These criminal activities undermine China's international reputation and affect our foreign economy and trade. The significance of the struggle to sternly crack down on the production, sale, proliferation, and illegal publication of pornographic goods and on piracy is not limited to management in the cultural field. It also involves struggles in the political and economic fields. As a matter of fact, it is an important task for us to protect our socialist system, ensure the smooth progress of reform and opening up, urge the cultural market to follow the law, improve the building of the legal system, protect state interests, and establish the image of the state. Leaders of the party and government at all levels should view the struggle from the high plane of the overall situation, pay close attention to the new problems and trends in the struggle, and resolutely crack down on the resurgence of pornography.

Lu Zhonghe made arrangements for the work of wiping out pornography and illegal publications in the coming autumn and winter. He said: The province has set up a leading group for this work. Guangzhou, Shenzhen, prefecture-level cities, and some counties should immediately set up high-level, influential, and authoritative leading groups, ensure forceful leadership of the party committee and government over the work, resolutely deal with the major and important cases, and thoroughly investigate and handle major cases now in progress. It is necessary to organize action with great momentum, purify the market, root out the source of the production and selling of pornographic goods, piracy, and infringe-

ment of intellectual property rights, comprehensively screen manufacturers, implement a supervisory system, continue to formulate a series of management regulations, strengthen routine management, bring to order the management system for the audiovisual market, and make preparations to set up a provincial socio-cultural management association. To coordinate with the current struggle against pornography and illegal publications, it is necessary to enhance discipline of this trade in cooperation with administrative management and strengthen propaganda and media work.

Contract for Paging Network Signed With U.S. Firm

*OW1909154895 Beijing XINHUA in English
1444 GMT 19 Sep 95*

[FBIS Transcribed Text] Beijing, September 19 (XINHUA) — The Ministry of Posts and Telecommunications signed a contract here today with the Control Data Corporation (CDC) of the United States for a network for its paging business for early next year, using the American company's software.

According to a ministry spokesman, paging services now reach more than 2,000 counties, ten years after China started its first service. By the end of June this year, more than 14 million Chinese had access to paging services.

The paging network is limited to certain regions, but when the project signed today is completed by the end of the year, all municipalities and capital cities in China's provinces and autonomous regions will be part of the nationwide network.

CDC is one of ten multi-nationals involved in computer systems integration. The company also deals with petroleum, meteorological, oceanic and geological seismic surveying, and has established a branch in Beijing and an office in Guangzhou.

***Exporting 'Green' Products New Strategy**

*95CE0533 Beijing GUOJI MAOYI [INTERTRADE]
in Chinese 20 Jun 95 No 6, pp 12-13*

[Article by Lu Suifeng (7120 4482 1496): "Strengthen Environmental Protection, Export Green, Environmentally Safe, Food Products." The author is affiliated with the China National Cereals, Oils, and Foodstuffs Import and Export Corporation.]

[FBIS Translated Text] Cleaning up pollution, protecting the environment, and maintaining ecological balance are the common responsibility of all mankind; they have a direct impact on human survival and development. For export enterprises, the production and sales of export

products not only involve the environmental protection policies and laws and regulations of this country, but also must abide by all pertinent international treaties and environmental protection laws and regulations of international organizations and countries and regions of destination of their products. This is an issue China's export enterprises have already or will soon encounter.

China's Environmental Situation Is Precarious

Although the Chinese government has worked relentlessly to prevent and control pollution, and despite definite results, the environmental quality in many localities is deteriorating. Damages caused by pollution and acid rain in some cities and pollution created by township enterprises are getting worse. In some developed regions along the coast, in particular, as they gained economic strength, their environmental quality which could have been improved has actually worsened over the last two years.

In recent years, China has accelerated its industrialization process, but it has not radically changed the traditional developmental mode characterized by massive resource consumption. Investment in environmental protection has been insufficient; environmental protection forces are ill organized; and the continuous population increase is creating growing pressure on the environment. The country's environmental protection task is very arduous. The Central TV program, "A Century of Environmental Protection," showed alarming factual cases of pollution, telling the people that pollution is already so serious as to threaten the Chinese people's livelihood.

China is a vast agricultural nation. Environmental pollution and ecological damages created by agriculture itself are creating a vicious cycle. For example, the per capita farm area in China is only slightly more than one mu. Most agricultural regions that are traditionally under intensive cultivation and the suburban areas of the large and mid-sized cities are forced to adopt close planting and raise a multiple crop index to ease the grain and foodstuff supply pressure. The land itself never gets a chance to lie fallow; even the green manure planting area is shrinking by the day. In addition, the chemical fertilizers have a negative effect on the soil texture, pollute the environment, and damage the ecology. Raising a multiple crop index and increasing the density of close planting lead to rampant crop diseases and insect pests, forcing the massive and frequent use of pesticides, which do kill the pests but also kill the beneficial insects and the pests' natural enemies. Since the pests have developed a resistance to the pesticides, it has created another vicious symbiotic cycle between the two. Ground covering which is used widely in agriculture

also pollutes the soil; their remnants seriously impair the soil's porosity and inhibit the growth of the root systems, leading to reduced crop yield.

Industrial pollution and pollution caused by pesticides, ground covering, and chemical fertilizers in agriculture and the resulting vicious cycles in the agricultural ecology will eventually have an adverse effect on the quality of food consumed by humans. In the long run, it will undermine the successful production and export of green, environmentally-safe, food products to earn foreign exchange.

Environmental Issues Jeopardize Cereal, Oil, and Foodstuff Exports

As people become more environmentally aware and more health conscious, increasingly, they become more concerned about the quality of what they eat and drink. Their consumption is guided by their demand for food that is pollution-free, nutritious, safe, and healthy. As a result, foods that do not create environmental pollution, that are pure and naturally nutritious, and are healthy begin to appear and establish their own markets. People call this "green consumption awareness." This concept sprang up fairly early in the western countries, and the corresponding "movement" also began there. Such concept and movement gradually turned into national laws and regulations, especially laws and regulations pertaining to food sanitation and safety. Enterprises that market (export) grain, oil, and foodstuff are encountering more and more "green consumption conscious" customers and are facing foreign laws and regulations that are increasingly stringent with respect to food safety, sanitation, and health. Our exported grain, oil, and foodstuff have occasionally been refused entry because the level of farm pollutants and toxins exceeded international health standards.

Because of deterioration in agricultural ecology, some of China's rivers, lakes, hills and fields are seriously polluted, reducing the total area for producing grain, oil, and foodstuff and making it increasingly difficult to develop, produce, and export green food products to earn foreign exchange. Pertinent data show that currently 10 million hectares of farmland are, to varying degrees, polluted, which is reducing crop production by 12 billion kg a year at a monetary loss of more than 1 billion yuan. The amount of grassland has receded by more than 90 million hectares, reducing usable grazing area by one-third, which seriously jeopardizes the development of the livestock industry. Eighty-two percent of the rivers and lakes are also polluted; fish and other aquatic products are practically extinct in some rivers stretching nearly 3,000 km; some rivers have almost completely dried up.

In recent years, the export of agricultural products has run into hard times; we have been slowly losing our ability to compete in the international markets. In 1994, the volume of export of most types of agricultural products increased fairly substantially, but export value has not increased and might even have diminished. Take prawns for instance. Today, they are rarely caught at sea; most prawns are artificially raised. In 1993, widespread disease almost wiped out the entire crop. There was no export to speak of. Or take crabs as another example. We can harvest them only through artificial breeding, but we can barely meet the export demand in terms of quality and quantity. Besides the deteriorating international trade conditions, this is mainly because our export agricultural products are of poor quality and their per unit price is very low; therefore we are filling our export quota mainly by increasing quantity. If pollution of the rivers and fields continue to exacerbate, our plans to produce and export green products to earn foreign exchange will fall through.

To protect wild life and maintain ecological balance, we comply with the country's "Wild Life Protection Law" and the "International Treaty on Biological Diversity." Many species we used to export to earn foreign exchange are no longer allowed to be caught, killed, or exported. For example, pangolin, masked civet, and monkeys which used to be included in China National Cereals, Oil, and Foodstuff Import and Export Corporation's "Small Live Animal" system are now protected by law and are banned from being exported. Wild fowl and game used to be on the list of Chinese export commodities, but it is no longer pertinent to list them. We must find other ways or resort to artificial rearing and breeding to sustain our export trade.

New Idea for Developing Grain, Oil, and Foodstuff Exports

Strengthening environmental protection and developing environmentally safe food products for export to earn foreign exchange are indeed a challenge for those of us in the business; there is indeed a sense of crisis and urgency. Yet, if we analyze the situation from a strategic high point and take the initiative to accept this challenge, then crisis can turn into new opportunity. To a specialized foreign trade company like ours, the green food movement before us is a rare opportunity.

1. The green movement has only just begun in this country. Compared to the agricultural sector or the domestic trade sector, we are behind, but compared to other enterprises in the export business, we are all at the same starting line, and therefore we should promptly

involve ourselves in the development and export of green food and seize the initiative.

2. From the point of the industrialization of the specialized foreign trade companies, getting into the production and processing of green food is the right direction, and in order to make the industrialization process successful, secure a source of export goods, and be economically efficient, we must integrate commerce with agriculture, industry, and technologies. This is the key to the industry's healthy development. The idea of developing green food and setting up industrial projects to produce and process environmentally safe food products provides a good opportunity for us to achieve the above integration processes.

3. We should change the overall image of our export products. The idea of exporting environmentally safe products means upgrading and updating our export goods; we need to improve the quality, raise the standards, and change the overall image of Chinese export goods. If we can just introduce the grain, oil, and food products that carry China's green label to the international markets, if we can plant a firm foothold and continuously expand our market, we can greatly improve the image of those products in the international markets. In the industrial and technological domains, green products are the "state-of-the-art" products of the grain, oil, and foodstuff business.

4. Market prospects for green food export are good. Experts predict that they will be the dominant food of the 21st century. Three years ago, a German businessman came to Henan Province to discuss business and proposed to work with a certain company to set aside 1,000 hectares of land on the shores of the Huanghe River to plant wheat and other crops. No fertilizer or pesticides would be used; instead, it would use what the Europeans call an organic farming method, and that company would be the sole marketer of the products. Reportedly, a South African businessman also made a similar proposal. Although the above proposals remained just that, clearly, starting up the production and export of green products to earn foreign exchange can have far-reaching significance.

Getting into the business of exporting green products will give China's grain, oil, and foodstuff exports the chance to catch up with the world trend; it will be an undertaking with boundless prospects. Moreover, green food business has created a strong current in this country and has shown tremendous vitality. Ideologically, grain, oil, and foodstuff importing and exporting companies like ours should pay close attention to this trend; strategically, we should seize the opportunity; and tactically, we should take solid steps as soon as possible

to firmly and diligently launch our work and give top priority to developing the production and export of "green food."

I. We should vigorously launch propaganda and mobilization work. Getting into the development and exporting of green food is an important task. Only through propaganda and mobilization to increase the company cadres' and workers' environmental consciousness so that everybody is aware of the profound meaning of developing the export of green food and understand its urgency, will people consciously go about tackling this task.

II. We should increase input in this area in a planned and systematic way. Specifically, we should invest in the green food business and start some new projects or change existing projects to make the production process and the final products meet green food standards and introduce some products authorized to use the green label. In addition, our industrialization process can be geared toward businesses related to improving the environment and reducing pollution, so as to make our contribution to environmental protection.

III. We should conduct an examination of the environmental protection undertakings of the existing planting, breeding, production, and processing enterprises and conduct a general survey of agricultural waste products and other environmental protection indices. We should begin the application process to authorize some people to use the green label in a planned and systematic way, but first we should set up experimental points and widen the practice gradually. Enterprises and workshops that cause serious pollution problems should be required to undergo technological transformation according to environmental protection laws.

IV. We should foster consumer groups. The main purpose for the foreign trade enterprises to go into the green food business is to export those goods. In order to get into certain markets, we must publicize those products and foster consumer groups. We should take the green-labeled goods to the international markets, so that foreign consumers are familiar with our label and products, and then we can sell our green products in the international markets.

Agriculture

Hubei Official on Suburb-Based Agriculture
SK1909125995 Wuhan HUBEI RIBAO in Chinese
26 Aug 95 pp 1, 2

[By reporter E Xuesheng (6759 1331 0524): "Yang Yongliang, Deputy Secretary of the Hubei Provincial CPC Committee, Stresses the Need To Bring Suburban

Areas' Advantages Into Play and To Build Modern Agriculture Models at the Provincial Conference on Suburb-Based Agricultural Economic Work Held in Wuhan 22-24 August"]

[FBIS Translated Text] After three days in session, the first provincial conference on suburb-based agricultural economic work ended in the Jiangxia District of Wuhan City on 24 August. Yang Yongliang, deputy secretary of the provincial party committee, made a speech at the conference. He urged the broad masses of cadres and people in the suburban districts and counties to bring the suburbs' advantages into play, grasp favorable opportunities, work energetically, and elevate the suburb-based economy to a new level.

While the conference was in session, the participants visited two suburban districts in Wuhan City, namely Dongxihu and Jiangxia; Heping Township, ranking first in the country's "10 strong towns and townships" where town and township enterprises are well developed; the municipal institute of agricultural science; and the municipal institute of vegetable science. They highly assessed the units' experience in vigorously developing engineering agriculture, scientific and technological agriculture, and intensive management; conducting on a large scale cropping-breeding-processing and trade-industrial-agricultural industrialized management; comprehensively developing hillside plots and paddy fields; vigorously building agricultural production bases; and "serving cities, and making the peasants rich." At the conference, the suburban districts exchanged experience in developing suburb-based agriculture.

After expounding the important significance of developing the suburb-based agriculture in the new age, Yang Yongliang pointed out that the suburbs, with special features of their own, are different from other areas in terms of development targets and objectives. The general goal of developing suburb-based agriculture is to enable the suburbs to "serve and stabilize cities," to become vegetable production bases, to provide cities with farm and sideline products, and to become grain, cotton, and oil production bases. We should also make the suburbs prosperous, make the peasants rich, and make agriculture become an industry which itself is able to create fairly good efficiency and with which the peasants can become wealthy by growing crops. To realize the double goals, we should generally attain the requirements as follows: Accelerate the pace of development; realize ahead of schedule the target of becoming fairly well-off and the target of modernizing agriculture; and create first-class agriculture, town and township industries, tertiary industry, living standards for the peasants, and a new socialist countryside. The short-term specific requirements for developing the suburbs are to ensure

that per-unit area yield, efficiency, agricultural levels, birth control rates, and peasants' income are high as well as that the collective sector of the economy is well developed; to coordinate industry with agriculture and the urban areas with the rural ones; and to improve social order and the grassroots organizations. The key to achieving these targets and requirements hinges on increasing agricultural efficiency.

Yang Yongliang pointed out: Six major ways for comprehensively developing agriculture applied by the suburbs merit our high attention and have the value of popularization. First, using an appropriate scale of operation. Generally speaking, the suburbs, which are economically well developed, have the conditions for managing their land on a proper scale. So, we must study and sum up their experience, arrange and guide their work, gradually carry out various forms of appropriate-scale management in line with their actual conditions and according to the wishes of the masses, upgrade the layer of agricultural production and management, and increase efficiency through economies of scale.

Second, optimize structures. We should organically coordinate the work of serving cities with the increase in peasants' income, positively optimize varieties of goods and the quality structure according to cities' changing requirements for consumer goods and their various choices for markets, further optimize the cropping and breeding patterns, and vigorously develop the ecological agriculture and transplanting. Third, improve agricultural facilities. That is, strengthen the construction of farmland water conservancy capital construction; vigorously develop applicable large, medium-sized, and small farm machines; and pay particular attention to positively building agricultural "workshops." This is a new sphere for greatly developing suburb-based agriculture. So, we should pioneer a way to develop agriculture equipped with a high starting point, high input, high output, and high efficiency. Fourth, transform processing. We should transform the initially-processed farm products and process farm products to increase their value and should ensure developing industry with agricultural resources, promote agriculture with industry, and have industry and agriculture promote each other. Fifth, develop agriculture with support. According to the relevant state policies and regulations, we should collect funds to develop agriculture so as to increase agricultural input. The enterprises engaged in the management of farm products should actively establish relations of equally sharing benefits with the peasant households so as to concede benefits to the peasants. Large and medium-sized enterprises, institutions of higher learning, and scientific research units should be organized

to establish joint production and management organizations and to support the peasants on a responsibility basis. The agricultural departments concerned should support and serve agriculture. Sixth, industrialize agriculture. With the impetus given by the leading enterprises, dominant industries, specialized markets, commodity bases, large specialized households, and service organizations, as well as with the focus on increasing economic results, the suburbs should develop their key farm products and pillar industries in the methods of regional distribution, specialized production, enterprise management, unified management, and socialized service; closely coordinate cropping with breeding and processing, production with supply and marketing, and the economy with science and education; and promote their agriculture to a brand-new stage. Yang Yongliang stressed: In positively developing suburb-based agriculture, we must properly handle the relationship between the development of cities and that of suburbs, between passive reliance and self-development, between use of land and protection of land, between the coordinated development of agriculture and secondary and tertiary industry, and between material and spiritual civilization.

Yang Yongliang finally urged that all city party committees and governments strengthen leadership, investigation, and study, give different instructions to different areas; and organize "forces to go deep to the countryside" to support the suburbs' large-scale development. To promote this work, the province will designate the provincial agricultural committee to organize the suburbs of all large and medium-sized cities and all provincial-level departments concerned to establish a "society for promoting the economic development of the suburbs"; form a tide of "emulating, learning from, catching up with, and overtaking the advanced"; conduct criticism once a year; arrange the names of suburbs in the order of their yearly results; and encourage the advanced.

Present at the conference were responsible comrades from large- and medium-sized cities in charge of agriculture, various suburban counties and districts, and provincial-level departments concerned.

'Emergency Circular' on Stabilizing Grain Prices
HK2009023195 Beijing ZHONGGUO ZHENGQUAN
BAO in Chinese 12 Aug 95 p 3

[Report: "State Calls for Further Efforts To Stabilize Grain and Edible Oil Prices"]

[FBIS Translated Text] Recently, the Ministry of Internal Trade and the State Grain Reserve Administration jointly issued an "Emergency Circular 'On Implementing the Circular of the State Council on Continuing

To Do a Good Job in Stabilizing Grain and Edible Oil Prices."

The main contents of the State Council circular are: First, it is imperative to stabilize grain and edible oil prices in accordance with the State Council plan to keep the inflation rate under 15 percent this year, or else it will be difficult to guarantee fulfillment of the primary tasks for economic work this year; second, increase local financial subsidies and do a good job of spending the grain risk fund; third, complete and perfect the method of grain supply and strengthen control of grain marketing; fourth, augment control over grain transfer and marketing prices inside a province; fifth, stabilize prices of products associated with grain and edible oil; and sixth, strengthen market administration. Price, grain, industrial, and commercial departments at various levels must consolidate grain circulation channels and price order; operating without a license and not in conformity with operational conditions must be banned.

The main contents of the emergency circular jointly issued by the Ministry of Internal Trade and the State Grain Reserve Administration are: First, resolutely implement the policy on state grain purchase prices; second, strictly control grain marketing prices; third, strictly control grain transfer purchase pricing inside a province; fourth, strengthen control over imported grain prices; fifth, work hard to maintain stability in prices for popular foodstuffs with grain and edible oil as the main ingredients; and sixth, give full play to the role of state-owned grain enterprises as the primary channel for stabilizing grain prices.

Report Says Rural Consumption Standards Improve

HK2009084095 Beijing CHINA DAILY in English
19 Sep 95 p 4

[By Bai Ju: "Farmers See Better Standard of Living Today"]

[FBIS Transcribed Text] Consumption standards of rural residents have improved in the past decade, but the growth is still much lower than that of urbanites, a report released by the State Statistics Bureau (SSB) says.

Since 1985, with the deepening of rural reform and increases in income, farmers' consumption standards, on the whole, have improved to sufficiently well-off.

Farmers' per capita daily expenditure increased more than two-fold in the past decade.

Spending for basic existence has been reduced, while spending on daily and farming appliances, and services has more than tripled.

Spending on these items accounted for 20 per cent of a farmer's expenditures last year. This is up 6 percentage points from 1986.

Purchases of durable consumer goods such as colour televisions, tape recorders, electric fans, washing machines, cameras and refrigerators are expanding.

Last year, rural residents' spending in currency accounted for 63.7 per cent of their total expenditures, an increase of 2.4 percentage points compared with 1985.

Bartering was done mainly for food and housing.

Farmers also are eating better at their dinner tables. Last year, they spent more on non-staple food items than on staple foods for the first time.

Consumption of meat, eggs and fish grew dramatically.

At the same time, rural residents are getting more fashion conscious than before. Demand for fabric has gradually decreased while the demand for ready-made clothes and fashionable attire has expanded.

Last year each rural resident spent an average of 70 yuan (\$8.4) on clothing, more than doubling that of 1985.

The most conspicuous improvement in farmers living standards is seen in their housing conditions.

Last year farmers' per capita spending on housing was 5.6 times higher than 10 years before. The living area for each household averaged 20 square metres, of which 70 per cent was made by bricks- and-wood and concrete.

However, rural residents' consumption standards are still poor and their income goes mainly for food, the SSB said.

Consumption on protein is largely below the standard recommended by nutritionists.

Meanwhile, disparities in spending between the richest and poorest farmers, and between urban and rural residents, have widened.

For example, in the past decade, farmers' total consumption volume grew by 160 per cent, while that of urban residents more than tripled.

The share of rural spending in the national resident consumption also was reduced from 65 percent in 1985 to 53 percent in 1993.

Last year's high inflation also posed a great burden for some low-income farmers.

The per capita net income (after inflation was deducted) for about one-third of rural residents was less than last year's average, SSB said.

Xinjiang Reports 'Good' Cotton Harvest

*OW2009064595 Beijing XINHUA in English
0620 GMT 20 Sep 95*

[FBIS Transcribed Text] Urumqi, September 20 (XINHUA) — The Xinjiang Uygur Autonomous Region, China's largest cotton producer, reports a good cotton harvest this year.

According to a prediction by the regional government, the total output is expected to reach 900 million kilograms this year, exceeding the record harvest of last year by 100 million kilograms.

A regional official said that although the region has cut areas sown under cotton and expanded grain acreage this year, it has employed scientific farming including the popularization of plastic sheets, improved seeds, and advanced agro-techniques.

In addition, local banks have granted more loans to farmers this year to encourage farmers to grow more cotton.

Shandong Leads Nation in Frozen Chicken Exports

*OW2009065195 Beijing XINHUA in English
0639 GMT 20 Sep 95*

[FBIS Transcribed Text] Jinan, September 20 (XINHUA) — East China's Shandong Province has become

the country's leading exporter of frozen chicken, with export volume so far this year accounting for 40.5 percent of the country's total.

Customs statistics show that between January and August, the province sold 69,900 tons of frozen chicken worth 153 million US dollars, up some 100 and 116 percent respectively over last year's figures.

The expansion of chicken farms in the province has allowed the rapid growth of exports, the officials say, and frozen chicken parts have seen the fastest growth of all exports.

The province exports the frozen chickens to 21 countries and regions, with the leading market being Japan. This year, Japan has bought 57,900 tons of the birds from Shandong, 82 percent more than last year.

East Region**Rural High-Tech Enterprises Growing in Fujian**

OW1909105695 *Beijing XINHUA in English*
0738 GMT 19 Sep 95

[FBIS Transcribed Text] Fuzhou, September 19 (XINHUA) — Rural enterprises in east China's Fujian Province have grown to an advanced stage thanks to their application of high technologies.

The enterprises now stress technology-intensive production and high efficiency, and are playing an important role in the province's industrialization.

Last year they invested 3.04 billion yuan to implement 3,300 technological upgrading projects.

As a result, the output value of these rural enterprises in Fujian reached 150 billion yuan.

And technological development has contributed more than 30 percent to their total output value.

Meanwhile, the rural enterprises have paid close attention to improving management, attracting talented people, collecting information and producing new commodities to uplift their competitiveness.

They have taken effective measures to attract a total of 90,000 capable professionals and workers from inside or outside the province, and at the same time, sent 120,000 managers and workers to be trained in business management and professional skills.

In addition, the local government has put an investment of three million yuan each year into technological development projects during the country's Ninth Five-Year Plan Period (1996-2000).

Airport Under Construction in Jiangsu's Nanjing

OW1909102895 *Beijing XINHUA in English*
0644 GMT 19 Sep 95

[FBIS Transcribed Text] Nanjing, September 19 (XINHUA) — Construction workers have completed 96 percent of the earthwork for the Lukou Airport in this capital of east China's Jiangsu Province.

The framework of the terminal building and the air traffic control building has been erected, and the 30-km-long oil pipeline has started construction. The earthwork for the runway and taxiway is scheduled to be completed by the end of this month.

Located 35 km from downtown Nanjing, the Lukou Airport is the city's second airport.

Upon its completion scheduled at the end of 1996, the airport will have a 3,600-m-long, 60-m-wide runway and corresponding taxiway and plane parking lots, a

640,000 sq.m. terminal building, a 5,400 sq.m. Air traffic control building, a 6,000 sq.m. cargo transport building, and other necessary facilities.

A second runway, which is 4,000 m long and 60 m wide, will be constructed for the airport by the year of 2,000.

Once open to traffic, the airport can accommodate wide-body passenger planes including the Boeing 747-400, and become a major airport in east China.

Pudong To Get Series of Preferential Policies

HK2009083295 *Beijing CHINA DAILY in English*
19 Sep 95 pp 1, 2

[By Jian Jiang: "Pudong To Have New Initiatives for Growth"]

[FBIS Transcribed Text] Pudong New Area's position as an economic spearhead for the Yangtze River region was solidified by a recent central government decision.

The government will grant a new series of preferential policies to further boost development of the East Shanghai area in the next five years.

At a press conference hosted by the Shanghai municipal government yesterday, Shanghai authorities revealed parts of these policies and claimed the government is busy drafting rules to be published very soon.

Shanghai Mayor Xu Kuangdi said the emphasis in the next phase in Pudong development will be transferred from infrastructure in the first five years to functional development.

He said policies granted by the central government are consistent with the goal of quickly developing Pudong into an economic, financial and trade centre.

Zhao Qizheng, Vice-Mayor and also Director of Pudong New Area Administrative Commission, announced five policies granted by the State government yesterday.

The five policies are:

—Foreign trade companies with annual export value over \$100 million and manufacturing enterprises with Moftec-granted (Ministry of Foreign Trade and Economic Co-operation) foreign trade license and export value over \$20 million are entitled to open subsidiaries in Pudong with the approval of Shanghai municipality.

—Three to four joint-venture trade companies will be allowed to operate in Pudong. Shanghai government will submit a detailed plan to Moftec for examination and to the State Council for final approval.

—Enterprises in the Waigaoqiao Free Trade Zone within Pudong are allowed to engage in bonded business activities and gradually expand to service trade, with the exception of retail businesses.

—Foreign-owned banks with central government approval to do RMB [renminbi] business should first undergo a trial period in Pudong. A few of these banks in Pudong will be given preference in this process.

—With the approval of People's Bank of China (PBC), wholly foreign-owned financial institutions registered in Lujiazui Finance and Trade Zone in Pudong can open branches in Puxi (West Shanghai) and Waigaoqiao Free Trade Zone, and establish several other wholly foreign-owned and Sino-foreign insurance institutions in Pudong New Area.

The central government also defined four fields in which Pudong must adhere to the national system.

—Pudong's fiscal system is subject to the national fiscal and tax sharing systems rather than the original policy of fully retaining incremental taxes.

—Pudong's foreign exchange credit and lending will be allocated by PBC. Borrowing, using and servicing of loans must strictly conform to PBC regulations.

—In the free-trade zone, customs must maintain control and prevent smuggling.

—In capital construction, Pudong's development should continue to follow the principle of overall planning and gradual implementation.

Shanghai Mayor Meets World Bank President

OW1909163095 Beijing XINHUA in English
1552 GMT 19 Sep 95

[FBIS Transcribed Text] Shanghai, September 19 (XINHUA) — Shanghai, China's largest economic center, has made use of 1.3 billion U.S. dollars worth of loans from the World Bank since 1980, Mayor Xu Kuangdi said here today.

Xu said this when meeting with the visiting President of the World Bank James D. Wolfensohn.

The mayor said that the World Bank-loaned 14 projects include the first phase of a sewage disposal project, the municipal ring road, the Shanghai Port reconstruction, and an expressway linking Shanghai and Hangzhou, capital city of east China's Zhejiang province.

The mayor expressed the hope that the World Bank would give the city more support, particularly in the fields of environment protection, energy resources and infrastructure facilities.

During his stay in Shanghai, Wolfensohn has visited the World Bank-loaned projects, the Pudong Jinqiao Export Processing Zone and the China Foreign Exchange Trading Center.

Shanghai Securities Exchange Elects Leading Body

OW1909113095 Beijing XINHUA Domestic Service
in Chinese 0846 GMT 18 Sep 95

[FBIS Translated Text] Shanghai, 18 Sep (XINHUA) — The second Shanghai Securities Exchange [SSE] Board of Directors called its third meeting recently. The meeting, at the request of Wei Wenyuan himself, relieved him from the office of executive director and SSE president, elected Gong Haocheng [7895 3185 2052] as SSE executive director, and hired Yang Xianghai [2254 4352 3189] as SSE president.

Yang Xianghai has served as vice chairman of the Shanghai Planning Commission and director of the Shanghai Securities Administrative Office.

Zhou Daojiong, chairman of the China Securities Supervision and Administration Committee, attended the meeting. Zhou Daojiong fully endorsed the SSE's achievements and its important contributions during the past five years in expediting the development of China's securities market and promoting reform and opening up, but he also noted SSE's shortcomings. He urged all SSE staff members to make new and even greater contributions to the development of China's securities market under the leadership of the new leading body.

Mayor Says Shanghai To Carry Out Economic Reforms

OW1909154795 Beijing XINHUA in English
1441 GMT 19 Sep 95

[FBIS Transcribed Text] Shanghai, September 19 (XINHUA) — Shanghai, China's largest industrial metropolis, will carry out more reforms in the coming years, Mayor Xu Kuangdi said here today.

The city will speed up industrial reforms so that by the year 2000 the proportion of service trades can be raised to over 45 percent out of the total output value, the mayor said, and it will support more pillar industries with more new technology applied to practical production.

Other measures include forming a number of large enterprise groups, turning state-owned specialized banks into commercial banks, developing the securities market, insurance market, foreign exchange market and capital market, and piloting Renminbi business by foreign-funded banks.

Shanghai will also invest more in infrastructure, putting special emphasis on the Pudong international airport, deep container berths, and two subway lines.

Xu said that all such measures are aimed at long-term strategic development of Shanghai to make it an international financial and trade center in the next century, while the Pudong new area will become a modern export-oriented area.

During the process, the city will greatly advance overall economic growth of the Chang Jiang River Delta.

The mayor pointed out that over the past dozen years, Shanghai has seen historical changes in economic expansion, which has paved the way for future development shoring up its position as China's strongest economic giant.

Zhejiang Becomes Top Telecommunications Producer

*OW1809142195 Beijing XINHUA in English
1256 GMT 18 Sep 95*

[FBIS Transcribed Text] Hangzhou, September 18 (XINHUA) — Zhejiang Province in east China has become the largest producer of small type program-controlled switchboards and telephone components in China.

Output here accounted for one-fifth of the national total in 1994, and almost all telephone dealers purchase accessories from Zhejiang, said an official from the provincial electronics department.

The Hangzhou Telecommunications Equipment Plant, the largest mobile phone manufacturer in the country, developed a mobile system in cooperation with the Motorola Company and had two billion yuan-worth of output value last year and a sales volume totalling 1.8 billion yuan.

The province ranks first in the country in production of cordless phones and has produced a pager which gives paging, stock market, and data information in Chinese.

A telecommunications expert predicts that the sector's sales volume will reach 30 to 50 billion yuan by the end of the century.

Central-South Region

Hubei Highway To Be Managed by Malaysian Firm *SK1909082095 Wuhan HUBEI RIBAO in Chinese 17 Aug 95 p 1*

[By Reporter Zhu Xiuxin (2612 0208 9515): "Agreement on Transferring Management Rights for the Wu-Huang Highway"]

[FBIS Translated Text] The signing ceremony for transferring the management rights for the Wu-Huang Expressway — the first section of expressway completed and opened to traffic in the province — was held at the Hubin Garden Hotel in Wuchang on the evening of 15 August. Wang Yuanzhang, director of the provincial Communications Department, and Mr. Dansili Nadu Li Sanchun [name as transliterated] from Malaysia respectively signed the official agreement. At the same time, with the cooperation of Hubei and Malaysia, the Hubei-Mae Expressway Management Company was formally established and registered.

Jia Zhijie, secretary of the provincial party committee, Governor Jiang Zhuping, Li Daqiang, member of the standing committee of the provincial party committee and vice governor, and Meng Qingping, vice governor, and responsible persons of provincial departments concerned attended the signing ceremony.

Prior to this, Jia Zhijie met with Mr. Li Sanchun and extended a warm welcome to his visit to Hubei despite the hot summer. He said: Mr. Li is an old friend of the people of Hubei and he has been supporting and caring for Hubei's various developments. During this visit he has also formally signed an agreement on transferring management rights for Wu-Huang Highway, indicating that the cooperation between the business circles of Hubei and Malaysia has entered a new stage.

At the signing ceremony, Li Daqiang and Mr. Li Sanchun gave speeches respectively.

Li Daqiang first extended warm congratulations to Mr. Li Sanchun and his cooperative partner. He said: The provincial government has decided to transfer the management right of Wu-Huang Highway to the Malaysian business circles. This is one of the province's ways of accelerating opening up and effectively using foreign capital. Mr. Li and Mr. Chen Liangmin of Malaysia have jointly invested in Hubei's highway construction, which will greatly influence and accelerate Hubei's building of infrastructure facilities. He called on all government departments and relevant prefectures and cities to give positive support and vigorous coordination, try their best, and perform their duties well in an effort to promote successful cooperation in this project and

to promote a new development in Hubei's economic construction and opening up.

Mr Li Sanchun thanked the provincial party committee, the provincial government, and all departments for vigorously supporting his investment project in Hubei. After paying the first installment of funds for the transfer, he said he would put the rest of the transfer funds in place in the near future.

It was learned that the transfer of management rights of Wu-Huang Highway is the province's biggest investment cooperative project with foreign capital, and the funds for the transfer will all be used for building the Huangshi-Huangmei Expressway.

Court Rules in Hubei Trademark Infringement Case

OW2009023495 *Beijing XINHUA in English*
0212 GMT 20 Sep 95

[FBIS Transcribed Text] Wuhan, September 20 (XINHUA) — A trademark infringement case involving two garment makers and losses worth 20 million yuan (2.41 million US dollars), believed to be the largest single trademark case in China, was resolved recently by the Hubei Higher People's Court, it was learned here today.

According to the ruling, the plaintiff, the Baomei Western-style Clothing Factory, is the sole owner of the trademark "Dageda", and the defendant, the Hengda Garment Co. Ltd. is guilty of trademark infringement.

According to the court's investigation, "Dakeda" brand western-style clothing from Baomei of Guangdong Province were selling very well and had won many national prizes and become a brand name.

In 1992, the company filed a complaint with the State Administration for Industry and Commerce against Hengda of Fujian Province, casting doubt Hengda's "Dageda" trademark because of similarity to its own "Dakeda" brand.

Expressing the opinion that similar trademarks may mislead consumers, the administration reached a verdict on January 21, 1993 revoking Hengda's "Dageda" trademark on 25 kinds of clothing. Then in July of 1994, Baomei registered use of the "Dageda" trademark.

However, in defiance of the administration's ruling, Hengda, whose sales were run from Wuhan, capital of Hubei, continued to use the "Dageda" trademark for garments sold in bulk, resulting in economic losses of over 20 million yuan to Baomei.

The Hubei Higher Court instructed Hengda to immediately cease using the "Dageda" trademark, publicly

apologize to Baomei and compensate the plaintiff with 1.73 million yuan.

HUBEI RIBAO Views Improving Distribution

SK1909094295 *Wuhan HUBEI RIBAO in Chinese*
30 Aug 95 p 1

[FBIS Translated Text] On 29 August, the HUBEI RIBAO Agency held a meeting at the Hubei Xinwen Guesthouse to commend advanced units and persons in 1995 newspaper distribution and to discuss 1996 distribution. Attending the meeting were the persons in charge from prefectures, cities, and autonomous prefectures, and persons in charge from the propaganda departments and postal and telecommunication bureaus of cities directly under the province, counties, and cities [shi (1579)].

At the meeting, 57 units and 71 persons were awarded the titles of advanced units and advanced persons in 1995 HUBEI RIBAO distribution, and 24 units were awarded the title of the advanced units in 1995 "HUBEI NONGMIN BAO" [HUBEI PEASANT DAILY] distribution. These units and persons were awarded by the HUBEI RIBAO Agency.

Zhou Nianfeng, deputy secretary of the provincial party committee, read out the instructions by Jia Zhijie, secretary of the provincial party committee, Jiang Zhuping, deputy secretary of the provincial party committee and governor, Qian Yunlu, deputy secretary of the provincial party committee and secretary of the Wuhan city party committee, and Yang Youngliang, deputy secretary of the provincial party committee, on improving distribution of the HUBEI RIBAO and HUBEI NONGMIN BAO. (The instructions mentioned above were published separately.)

Zhou Nianfeng transmitted the opinions of Deng Guozheng, standing committee member and secretary of the provincial party committee, on taking the firm party spirit as the guarantee to resolutely doing a good job in the distribution of party newspapers such as HUBEI RIBAO, and made a speech. He stated: Being the organization newspaper of the provincial party committee, the HUBEI RIBAO is the mouthpiece of the party, the government, and the people. We must subscribe to it and read it. The HUBEI RIBAO keeps abreast of the central task of the provincial party committee and the provincial government, and its direction is correct. It is a good newspaper worthy of being subscribed to and read. All the localities should make great efforts to improve distribution of the HUBEI RIBAO and other party newspapers.

Li Dehua, deputy director of the provincial party committee propaganda department, transmitted the opinions

of Wang Zhongnong, member of the provincial party committee standing committee and director of the propaganda department, on giving prominence to distribution of the HUBEI RIBAO and other party newspapers and taking effective measures to improve distribution, and made a speech. He stated: The leaders of the provincial party committee and the provincial government are very concerned about the operation and distribution of the HUBEI RIBAO and the HUBEI NONGMIN BAO. The speeches of the leading comrades on distribution of the HUBEI RIBAO manifest nothing but that distribution of the organization newspapers of the party committee is a part of the party's work, and it is so important that it should be done well in a resolute manner.

After affirming the results and experiences of the 1995 distribution achieved by the HUBEI RIBO, he also pointed out some problems that still exist. For example, the developments are not even between the organization newspapers of the prefectural, city, and county party committees and the organization newspapers of the provincial party committee. The phenomenon that the former elbow out the latter still exists, and this situation is especially serious in some localities.

Speaking on the 1996 distribution of the HUBEI RIBAO, Li Dehua said: It is imperative to resolve the question of understanding. As long as the understanding of the leaders is promoted, the work can be accomplished in a satisfactory manner. In the meantime, the leading cadres at all levels should take the lead in subscribing to HUBEI RIBAO. The funds for newspapers and periodicals are given to us for the subscription of party newspapers and party periodicals, and they should not be used to buy daily necessities. As for the problem that some newspapers of the prefectures, cities, and counties elbow out the newspapers of the provincial party committee, Li Dehua emphasized that Comrade Wang Zhongnong talked about this problem two times in the last year. The situation of some localities has improved while that of others has not. We assert again here: As the newspapers of different levels of party committees bear different responsibilities for propaganda, the lower-level party committee newspapers cannot substitute for the upper-level party committee newspapers. The lower-level party committee newspapers cannot use the distribution quota of the upper-level newspapers. He expressed the wish that the all-level party organizations and propaganda departments strengthen in a down-to-earth manner the leadership over distribution of the HUBEI RIBAO, carry out plans, achieve success in doing the coordination and supervision work, and promptly resolve some specific difficulties in distribution. He expressed the wish that the postal and telecommunication departments

can pay attention to key points, take further steps to improve services, and further better distribution of the HUBEI RIBAO and the HUBEI NONGMIN BAO, and ensure fulfillment of the goal set forth by the provincial party committee and the provincial government of making progress in stability.

Before this, the general office of the provincial party committee issued "a circular on 1996 distribution of the HUBEI RIBAO and the HUBEI NONGMIN BAO, urging all localities to improve distribution."

Sun Qiaosheng, deputy secretary general of the provincial government, Xiong Mingxuan, deputy director of the provincial press and publication bureau, Meng Dali, deputy director of the provincial postal and telecommunication administration, and Lu Jian, director of the HUBEI RIBAO Agency, made speeches one after another at the meeting. The meeting was chaired by Yang Renben, general editor of the HUBEI RIBAO Agency.

Southwest Region

Sichuan Adopts Trade Union Law Implementation

OW1809061995 Chengdu SICHUAN RIBAO
in Chinese 25 Aug 95 p 1

[Report by Huang Xiaojun (7806 1420 6511)]

[FBIS Translated Text] The "Sichuan Provincial Procedures for the Implementation of the 'PRC Trade Union Law'" and the "Sichuan Provincial Regulations Governing Trade Unions of Foreign-Invested Enterprises," which have long been anticipated by the vast numbers of enterprise staff members and workers and trade union organizations of Sichuan, recently were adopted by the 15th and 16th meetings of the provincial People's Congress Standing Committee, respectively. SICHUAN RIBAO learned this at a 24 August news briefing by the provincial people's congress's political and legal affairs committee and the provincial federation of trade unions.

The "Procedures" and "Regulations" are based on the "Constitution" and "Trade Union Law," and reflect the reality in Sichuan. They fully incorporate the rights and obligations given to trade union organizations by the "Labor Law," the "Company Law," and the law governing the three kinds of partially or wholly foreign-owned enterprises; adhere to the principle of unifying rights with obligations; and stress trade union organizations' self-development on the basis of performing trade unions' four functions. They adhere to the principle that foreign-invested enterprises should take care of both sides' benefits; and are designed to establish coordinated and stable relations between enterprise management and workers, to give further play to trade union organizations' important role in the province's economic

development, and to truly ensure the working class' status as the master in state and social life.

Wu Bangguo Discusses Tibet's Progress, Goals
OW1609162795 Beijing XINHUA Domestic Service in Chinese 1107 GMT 4 Sep 95

[By reporters Zheng Qingdong (6774 1987 2639) and Jia Fenyong (6328 1164 0516)]

[FBIS Translated Text] Lhasa, 4 Sep (XINHUA) — On 4 September, the central delegation headed by Wu Bangguo, CPC Central Committee Political Bureau member, CPC Central Committee Secretariat member, and vice premier, left Lhasa and returned to Beijing later by special plane after participating in the Tibetan Autonomous Region's 30th founding anniversary celebrations. They left with the profound friendship of the 2.3 million people of all nationalities in Tibet.

Pagbalha Geleg Namgyai, National People's Congress Standing Committee vice chairman and deputy head of the central delegation, who stayed behind to continue his inspection tour in Tibet; and Chen Kuiyuan, Raidi, Gyaincain Norbu, and other party and government leaders in Tibet; as well as representatives of people of all nationalities in Tibet saw the central delegation off at the airport.

Lhasa's Gongga Airport today was awash with sunshine, decorated with colorful banners, and reverberated with laughter. Garbed in their festive best, the hundreds of Tibetans lining the streets performed Yak and Tibetan folk dances to see the central delegation off.

When interviewed before he boarded the plane, Wu Bangguo said: This is my second visit to Tibet. Compared with my first visit to Tibet 10 years ago, Tibet has undergone enormous changes in terms of economic construction, social development, and urban outlook. Our stay in Tibet was short, but we are deeply impressed by Tibet's development and progress after attending a string of celebration activities, visiting families of farmers and herdsmen, meeting with cadres and people of all nationalities, and inspecting the Yangzhuyong Hydroelectric Power Station. The celebrations proceeded very well, showing the harmony, solidarity, and happiness of people in Tibet. They also showed that the bonds between people of Tibetan and Han nationalities are strong, and that Tibet's society is stable and forward looking.

Wu Bangguo pointed out: Tibet should now follow through with the guidelines laid down by the third central conference on Tibetan affairs, and continue to accomplish two projects. First, Tibet should proceed from reality, emancipate the people's minds, seek truth from facts, make the best use of Tibet's advantages and by-

pass its disadvantages, and accelerate the process of economic development so that the people's living standards will continue to improve and approach that of people in coastal and interior areas. Second, to maintain its social stability, Tibet should continue to strengthen the solidarity among people of all nationalities. Wu Bangguo said: As always, all central departments, provinces, autonomous regions, and municipalities under the central government's direct jurisdiction will continue to support Tibet, assist Tibet, strengthen their flesh-and-blood bonds with Tibet, and work with people of all nationalities in Tibet in building a united, affluent, and civilized socialist new Tibet. These are assignments time has given us. Wu Bangguo expressed the belief that under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, under the correct leadership of the party Central Committee with Comrade Jiang Zemin as the core as well as that of the State Council, and with the energetic support from people throughout the country as well as the hard work of people in Tibet, Tibet certainly will achieve even more significant progress and achieve even greater successes.

Wang Zhaoguo, Qian Zhengying, and Zhang Wannian, deputy heads of the central delegation, left Lhasa and returned to Beijing at the same time.

North Region

Inner Mongolia Chief on Commodity Price Rises
SK1909143995 Hohhot NEIMENGGU RIBAO in Chinese 31 Jul 95 pp 1, 4

[Speech by Wu Liji, chairman of the Inner Mongolia Autonomous Regional Government, delivered at the regional commodity price work conference on 30 July]

[FBIS Translated Text] Fellow comrades:

The main purpose of this regional commodity price work conference is to further analyze the current commodity price situation in our region. This will help unite our minds, increase our sense of responsibility and urgency, strengthen our work force in price control, and ensure that this year's regional price controls meet our target. I hope my fellow comrades in this conference can concentrate their energies on making this conference a success. Mingzu and I have written a letter to the secretaries of league and city party committees, league heads, and city mayors for you to take back to them. I will talk about three issues as follows: I. Understand Correctly the Current Commodity Price Situation in Our Region.

It is the basis and a priority to understand the commodity price situation in our region before we take steps to

better control commodity prices. It also the number one problem we want to solve through this conference. First, we should get an overall handle on the total trend for changes in commodity prices in our region. From January to June, the commodity price increases were at 22.6, 21.9, 21.9, 21.0, 19.8, and 17.1 percent, respectively. The rate of commodity price increases seemed to be dropping every month. In June, the rate of increase in commodity retail prices in Baotou City and Hohhot City had dropped to 12 percent and 14.2 percent, respectively. Chifeng City, Wuhai City, and Linhe City also came close to the 15 percent targeted rate for price control. The consumption psychology of the residents was basically stable with no obvious changes. These were some pleasant results our region achieved in the work of commodity price control. It was also an indication that the severe increase in commodity prices had been put under control and was starting to fall. However, while we were sure about the results, we should see that the decrease in the rate of increase in commodity prices in our region had been slowing down in the first half of this year. The increase was still too high. When comparing the commodity retail price from January to June this year with the same period last year, the regional increase was 20.7 percent. It was 2.2 percentage points higher than the national average. The rate of decrease in price increases in our region was 1.4 percentage points lower than the national average. This means that commodity prices are still high. Second, we must estimate fully the difficulties of controlling commodity prices in our region in the next few months. The increase in commodity prices in the first half of the year was 5.7 percentage points higher than our targeted rate. We would achieve our goal of 15 percent annual increases only if we were able to keep commodity price increases to under 13 percent in the second half of the year. The degree of difficulty in achieving the target can be understood without me talking about it. If we add the threats posed by a potential commodity price rebound in the fourth quarter, we would be facing an even more severe commodity price situation. On the whole, we must handle the commodity price situation properly. In order to fully satisfy ourselves that the prior work done on controlling commodity prices has achieved good results, we must look at both the good aspects, as well as the bad aspects where problems existed. We must estimate the degree of difficulty of taking steps in performing the next task realistically. Only by so doing can we gain confidence and determination in controlling commodity prices. We must strengthen our sense of responsibility and urgency, seize the opportunity presented by the nation's controlling of commodity prices, conquer difficulties, and develop projects creatively to decrease commodity

prices on a large scale. II. Unite Our Minds Further, Take Commodity Price Control as an Important Task To Tackle

In order to get commodity prices under control, the first step is to unite our minds further, especially the minds of the leading cadres. First, we must treat commodity price control as an important task which has the implication of protecting the benefits of people and stabilizing social order. Commodity prices were a problem affecting thousands upon thousands of households. The effects are closely linked to the personal benefits of the general public. The people's government cannot ignore them. This is the longest period of continuous commodity price increases and the scale of increases is the largest. The topic is the most talked about one in different social circles, and feedback from the public has also been overwhelming. This has been the hottest problem in society. Up to now, commodity prices increased at a double-digit rate for 26 months continuously in our region. They increased by 12.5 percent in 1993 and 19.3 percent again in 1994. The first half of this year was again 20.7 percent higher than the same period last year. What would happen if this situation continued? Our fellow comrades have direct and personal experience with this increase.

Presently, the severe increase in commodity prices has shown obvious effects on people's lives. The average income of our residents is already lower than the national average, and yet the increase in our commodity prices is higher than the national average. It is not hard to pinpoint the problem by just looking at the lower average income and higher average price increase. According to statistics, the urban residents in our region earned 20.7 percent more for their living expenses in the first half of the year compared to the same period last year. However, after deducting inflationary effects, their income actually decreased 0.8 percent. Second, we must treat commodity price control as a conspicuous economic development problem. There are many causes for this round of inflation and increase in commodity prices. Objectively speaking, the reform force in commodity prices is relatively large. Not only has the control over general commodity prices and service charges been loosened, but also the price of important commodities such as grain, cotton, water, power, coal, finished oil products, transportation, energy, and telecommunication, etc. have also been adjusted through policy changes. This is necessary for vitalizing circulation, promoting production, and accelerating economic development. This is also the internal requirement for building a large united national market. We can say that the problems of commodity price increases are a byproduct of the special changing process of the market economy. It is natural and tem-

porary. Nevertheless, there is a limit to everything. The increase in commodity prices cannot be too fast and stay continuously at a high level. Otherwise, it will have adverse effects on deepening reform and economic development. The current inflation has actually done certain damage to economic development already. This is particularly obvious in relatively backward regions. Some of the enterprises in our region are unable to purchase raw materials due to the ever-increasing prices and are forced to stop production. Some important construction projects also cannot be completed according to plan at the original budgeted amounts. Third, we must view the task of controlling commodity prices from the perspective of maintaining unity with the party Central Committee. The party Central Committee and the State Council have highly stressed the commodity price problem. Premier Li Peng recommended ten measures to stabilize commodity prices and curb inflation during the national television and telephone conference on further strengthening commodity price control work last September. In the "report on the work of the government" delivered at the Third Session of the Eighth National People's Congress, the State Council stressed that the top priority of macro control should be given to curbing commodity price increases. At the end of May, another national conference was called for the commodity price bureau chiefs. They made suggestions on measures and policies that we can take to further control commodity prices this year. In mid-June the State Council sent six inspection teams to do a thorough examination of commodity prices in 19 provinces (municipalities and regions.) The party Central Committee and the State Council want to treat commodity price control as an important link to reform, development, and stability. We not only must get this job done, but must get it done well. We should look at the perspective of the whole situation, have a responsible attitude towards the party and the people, and take on the responsibility. We must justify the great trust placed in us by the Party Central Committee and the State Council and satisfy the high expectations the people have for us.

Fellow comrades, there is a lot to be done when we measure our work against the target, especially in the way we think. First there is the blind optimism based on "feeling good about ourselves." Some districts feel that they have already brought high inflation rates under control when they see some positive results in their work. Since the inflation rate has been falling every month, they are happy with their accomplishments and feel that they are doing better than many areas in the region even though the rate is still higher than the national level. Other areas feel that they have already done their best. Although the inflation rate is relatively high, they argue that the commodity prices may not

be high in real terms. Second, many cadres make up numerous excuses for the situation and trying to get by as usual. They talk about the need to control inflation as required by the party Central Committee, the State Council, and the autonomous regional party committee and government. They also make arrangements for getting inflation under control. However, they cannot tackle the task creatively as they only know they should enforce the requirements but do not know how to do it. Hence, the result of their work does not meet their expectations because the policies are not effective and the performance is not strong. Third, there is the phenomenon of leaders feeling helpless and just letting things go. Such leaders always think that their areas have inferior conditions and that there are limitations on control measures. They think there is not a big difference in whether they can get a good grip on inflation or not. They are very much afraid of difficulties. There is an even worse kind of leader who just relies on the higher levels to control commodity prices and maintains an attitude that inflation has nothing to do with him. All of this shows that the minds of these comrades have not really been united as required by the party Central Committee, the State Council, and the autonomous regional party committee and government. They have not given top priority to keeping the high inflation rate under control and treating it as an important economic task. This kind of thinking may not be the trend, but we must not underestimate its existence and must eliminate it earnestly.

III. Strengthen Control Measures, Increase Work Force, and Ensure That the Annual Price Control Target Will Be Realized.

At the moment, the target, policies, and measures set for the country and the autonomous regions to fight inflation are very well defined. The inflation control task we must perform in the next few months is to achieve the "three upholds" as required by the party Central Committee and the State Council. The three upholds are this: persist in keeping the inflation rate around 15 percent, close up cracks through which the prices of new items can increase, and maintain the force strengthening macro-control and commodity price administration work. The important tasks on which we must work in the second half of this year have been identified clearly in the regional teleconference on commodity price control work called by Comrade Wang Zhan on 28 June. This means we already know what we are supposed to do and I do not have to repeat the tasks again. This also means that the key thing that we must do next is work hard to attain our goal. I want to make a few suggestions and discuss ways to go about implementing them.

First, we must construct and improve the responsibility system as soon as possible in order to achieve our goals in inflation control. We will continue to promote the responsibility system for getting the overall targeted commodity price level under control. We must also establish a complementary system to reward and penalize the responsible people based on their performance. These suggestions were made by the people's government of the autonomous region in the regional conference on economic work at the end of last year. In hindsight, we can see that Baotou City and Hohhot City have scored better as there were guidelines for every level and each rank helped the next in doing its job. They also had an examination system by which rewards and penalties were handed out fairly according to the rules. However, there are some leagues and cities where the task and its requirements are being presented in vague generalizations and the controlling measures are still not being practiced. This sort of situation must be stopped right away. 1) All levels of government must get directly involved in the inflation control work and take charge of the overall changes in the local inflationary trend. All important and difficult points regarding commodity price controls should be studied and resolved periodically. We must define the responsibilities clearly and take charge. We must adhere to implementation of the single veto ballot system and use the result of the commodity price control work as the top measuring unit to evaluate the leaders at all levels. They will not be named advanced leaders or receive awards this year if their targeted commodity price controls are not achieved. 2) Commodity departments must perform their duties and keep inflation under control. We emphasize the importance of having the main governmental leaders get involved in the fight against inflation. This does not mean that the responsibilities of the commodity price department have been reduced. We must declare that the commodity price department has responsibilities directly linked to the inflation situation in our region. On the whole, we must motivate all levels to work on the commodity price problem energetically through the construction of a good responsibility system using objectives and lower the inflation rate as soon as possible.

Second, we must further increase the momentum behind exercising commodity price control, with stress on key issues. The results of our work have proved that the series of control measures set by the state and the autonomous regions are proper and effective. The key to making these measures effective lies in whether you have the ability to get hold of the key controlling problems, whether you can continue to increase the controlling force, and whether you can make use of our control measures creatively. The present inflation rate indicates that the inflation situation is better in

areas where key control points are better defined, the controlling force is relatively higher, and much effort has been put into adopting and making use of the measures of the state and autonomous region creatively. In cities, the focus should be on controlling the prices of services and the staple and nonstaple foods such as grain, cooking oil, meat, eggs, and vegetables, etc. Staple and nonstaple foods such as grain, cooking oil, meat, eggs, and vegetables, etc. are the people's daily necessities. Due to the sharp price increases on these items in recent years, they have become the key problem and people are constantly discussing them. They have also become the key links to commodity price control targets. The top task for all the main leaders and the commodity price department in the cities is to tackle this problem. In order to promote overall price control and carry out measures such as fixing and labelling of prices, increasing supervision of pricing, imposition of price ceilings, and discrepancy control, we must firmly standardize market pricing practices. We will deal heavy blows to people who commit illegal acts such as inflating charges and prices artificially, monopolizing markets, seizing markets and bullying others in trade, as well as making exorbitant profits. We will not deal leniently with them. Serious typical cases should be exposed to society. At the same time, we must form an inspection and supervisory network to integrate the professional department and social supervisory department. By forming a strong and powerful supervisory and inspection system, we will bring out the effects of imposing tight control on prices for services and staple and nonstaple foods such as grain, cooking oil, meat, eggs, vegetables, etc. In rural and pastoral areas, we must define and maintain control of the prices of means of agricultural production. If the prices of means of agricultural production remain high for a long period of time, it will not only discourage the farmers from producing energetically and affect the production of agricultural and husbandry produce, but will also impact the foundation of agricultural and husbandry industries. All leaders must attach great importance to this matter and hold tightly to commodity price controls until positive results are obtained. We must make adjustments in the market for means of agricultural production in order to open up the operating channels. We must resolutely eliminate illegal trading and pay special attention to the price management of means of agricultural production such as chemical fertilizer, diesel oil, and power supply in rural areas. The marketing and supply cooperatives should take on the responsibilities of making chemical fertilizer and other means of agricultural production that are available and guarantee to meet the demands of agricultural and husbandry production. We must step up the supervision

and administration of the managers who lease state-owned units or marketing and supply cooperatives. All production and circulation departments must enforce the regulated producer price and market price strictly according to the amount fixed by different levels of the commodity price department. Inflation of prices is strictly prohibited and harsh punishment will be handed down to those who break the law.

Third, we must strengthen commodity price control measures continuously. Strengthening commodity price control measures is a long-term policy. All levels of government must have certain commodity reserves, capital reserves, and other measures during the process of carrying out commodity price control. Therefore, we can maintain basic stability in commodity prices by regulating demand and supply in a timely manner. First of all, we must establish and improve the "two funding and one reserve" system. For areas where the system does not exist, it should be developed in the second half of the year. For areas where the system is already in place, we should further expand and improve it. This will increase the government control over market prices. Second, we must explore for more flexible control measures. Our region is an autonomous region of minority nationalities and our economy is not well developed. The financial capacity of each government level is limited and our controlling ability is relatively weak. This requires that all levels of government and comrades in the commodity price department come up with more solutions and create more and better ways to control inflation that are practical and suitable to use in our region. For instance, we can try to find solutions to the problems related to price subsidies and grain supplies, as well as circulation and mutual assistance among districts, etc. We must put in an all-out effort to diminish the commodity price control problem and bring ourselves up to the standard.

Fourth, we must develop and improve the commodity price supervisory and control mechanism. The commodity price supervisory and control mechanism is the basis for bringing commodity prices under control. At the present time, all areas have recognized the importance of commodity price supervision and control. However, this is still a long way from achieving a perfect commodity price supervisory and control mechanism. Our next step is to build a supervisory and control system as soon as possible. We must increase the size of our contingent and enlarge our scope so that we can have better control over the fluctuation of commodity prices in all areas all the time. We must also have better access to information regarding commodity price changes in the adjacent provinces and cities or even in the whole coun-

try. Only then can we take on an active role in tackling the problem and doing the task with good foresight.

Fellow comrades, we are now facing a lot of difficulties in performing the commodity price control task. Meanwhile, the masses have high expectations for us. We must take on the responsibilities of curbing inflation and controlling commodity prices. We will unite our minds, vitalize our spirit, and build up unshakable confidence in ourselves. We will expend relentless effort to realize the goal of keeping commodity price control at a targeted rate as required by the party Central Committee, the State Council, and the autonomous region.

Tianjin Governor on Enterprise Reform
SK1909122495 Tianjin TIANJIN RIBAO in Chinese
21 Aug 95 p 1

[FBIS Translated Text] Days ago, the municipal party committee and the municipal government held a work meeting on promoting the trial-run of the modern enterprise system. At the meeting, Gao Dezhan, secretary of the municipal party committee, emphasized that the in-depth reform of the state-owned enterprises is the key point of the economic system reform this year, and it is also the most important task in our economic work. It is imperative for us to conscientiously carry out the spirit of the important speeches delivered by Comrade Jiang Zemin at the forums of enterprises in Shanghai and Changchun, further strengthen our resolve and confidence in improving the state-owned enterprises, promote our sense of responsibility and sense of emergency, have enthusiasm and go into action, take effective measures, fulfill the task of in-depth enterprise reform and improvement of the modern enterprise system on a trial basis, and achieve greater results.

Li Shenglin, deputy secretary and vice executive mayor, made a report at the meeting. Attending the meeting were municipal leaders such as Zheng Zhiying, Ye Disheng, and Zhang Haosheng.

At the meeting, the persons in charge from experimental units such as the Tianjin Zhongshan Steel Co. Ltd., Tianjin Jiniu Flour Co. Ltd., and Tianjin Baoming Group Limited Liability Company spoke one after another, introducing the methods and experiences in their work of conducting the modern enterprise system on a trial basis.

In his speech, Gao Dezhan pointed out: To study and carry out the spirit of the important speeches of Comrade Jiang Zemin, we should, in the first place, further promote our understanding in doing a good job in developing the state-owned enterprises and strengthening our resolve and confidence. We

should fully understand that to achieve success in developing the state-owned enterprises, especially the large- and medium-scale ones, is not only a significant economic issue which concerns the development of the whole national economy, but also an important political issue which concerns the fate of the socialist system. Therefore, the all-level leading cadres should take further steps to promote their sense of responsibility and sense of urgency on the issue of in-depth enterprise reform and improvement of the state-owned enterprises. First, it is imperative to have real enthusiasm. We should be enthusiastic about the survival and improvement of enterprises, be eager to meet the needs of enterprises and workers, and take the road of depending on reform to survive and to develop. Second, it is imperative to take real actions, do solid work, make painstaking efforts to deepen enterprise reform, and make breakthroughs at key points as well as difficult points. Third, it is imperative to achieve real efficiency. Through reform, we can promote the vitality of the enterprise, mobilize the initiative of the staff members and workers, and increase the economic returns of the enterprises as well as the income of the staff members and workers.

Gao Dezhan emphasized: Through studying the spirit of the important speeches of Comrade Jiang Zemin, we should take further steps to clearly define as well as deepen enterprise reform and to establish the goals and missions of the modern enterprise system, with emphasis on achieving substantial efficiency. The in-depth enterprise reform and the improvement of state-owned enterprises should be embodied in these five aspects: 1) It is imperative to establish a good mechanism. Through transformation of the operating mechanism of enterprises and through system innovation, we should make enterprises legal entities and the mainstay of markets. The enterprises should be able to conduct management independently, shoulder sole responsibility for gains and losses, develop themselves, restrict themselves, and increase their vitality. 2) It is imperative to have good-quality products. Through promoting the level and quality of products, we can strengthen the enterprises' competitiveness in the markets. 3) It is imperative to achieve success in management. We should make great efforts to improve ourselves and obtain good quality, brisk markets, and real efficiency through successful management. 4) It is imperative to achieve good efficiency, which is the manifestation of the results of all kinds of our work. The deficits of enterprises should be reduced and profits increased; the efficiency of enterprises should be promoted; and the income of staff members and workers should be increased. 5) It is imperative to improve the leading bodies. These five aspects are interrelated. Mechanism is the motivation, products are the premise, management is the foundation, efficiency

is the goal, and leading bodies are the key. Achieving success in these five aspects is an important indicator of improvement in state-owned enterprises.

Gao Dezhan said: In studying and carrying out the spirit of the important speeches delivered by Comrade Jiang Zemin, we should pay attention to handling three relationships when we deepen the enterprise reform and improve the state-owned enterprises. First, we should promote our work in an overall manner, make breakthroughs at key points, and pay attention to handling the relationship between reform in selected enterprises and reform of all the enterprises as a whole. Great efforts should be made in achieving success in the work of implementing the modern enterprise system in the 106 selected enterprises on a trial basis; experiences should be accumulated; and reform of all the enterprises should be promoted. In the reform of all the enterprises, we should also pay firm attention to the transformation of the operating mechanism and do a good job in all kinds of foundation work for establishing a modern enterprise system. Second, we should integrate the work inside the enterprises with the work outside the enterprises, promote both of them, and pay attention to handling the relationship between these two tasks. To deepen the enterprise reform, the work inside the enterprises is the foundation, and we should achieve success in a down-to-earth manner in all kinds of reform inside the enterprises. In the mean time, we should also pay attention to creating good external conditions for enterprise reform. To do this, in the first place, we should achieve success in the auxiliary reform, accelerate organizational reform, further change the governmental function, and speed up establishment of the social security system as well as the market system. In the second place, we should achieve success in developing the auxiliary services. The comprehensive departments, the departments in charge, and the administrative and law-enforcement departments should all take the initiative to remove the apprehensions and difficulties of enterprises through on-site handling of matters and the chain responsibility system. In the third place, we should master the overall work situation of the whole party as well as the whole country and handle well the relationship between reform, opening up, and stability. We should achieve success in the ideological and political work in a thorough and careful manner; cause the staff members and workers to understand, participate in, and support reform; and actively and steadily promote the work of reform. The function of the party organizations should be brought into play; and the initiative of the staff members and workers should be well guided, protected, and brought into play.

Gao Dezhan emphasized: We should follow the requirements of the speeches of Comrade Jiang Zemin to further strengthen leadership over the enterprise reform. The in-depth enterprise reform and improvement of the state-owned enterprises is an important issue concerning the overall development of Tianjin. The party and governmental leaders at all levels should pay attention to it personally, promptly study and resolve the contradictions and problems in the process of enterprise reform, and continue to deepen reform. It is imperative to strengthen the working momentum and accelerate the working progress. It is especially important that the 106 selected enterprises implementing the modern enterprise system on a trial basis should all begin before the end of September. We should strictly carry out the responsibility system for fulfillment of the fixed tasks and the chain responsibility system, conduct assessments monthly, conduct an overall assessment at the end of the year, and ensure that all the goals of in-depth enterprise reform are fulfilled.

In his report, Li Shenglin pointed out four issues: 1) The overall development of our municipality's trial run of the modern enterprise system is good. 2) We should take further steps to understand the significance of the implementation of modern enterprise system on a trial basis. 3) We should stipulate and carry out the policies and measures to establish the modern enterprise reform. 4) We should strengthen organizational leadership over the trial run of the modern enterprise system. He also said: Viewing the overall situation, the trial-run modern enterprise system has a good start in our municipality. Breakthroughs have been made at some difficult points in enterprise reform, and new headway has been made in auxiliary reform. However, the task is still arduous. Some enterprises, after the trial run of the modern enterprise system, have clearly defined the thoughts of development, transformed the operating mechanism, and increased economic efficiency. We should base ourselves on the foundation we already have to continue to sum up, perfect, and promote our working momentum; accelerate the pace of the trial run; and take further steps to achieve success in this task. Li Shenglin emphasized: We should have a firmer grasp of the significance of implementing the modern enterprise system on a trial basis, and resolve the questions in our thoughts as well as in our work about why we have to conduct the trial run and in what way we should conduct it. He said: Establishing the modern enterprise system is a systems engineering project that requires a lot of auxiliary reform. To accelerate the pace of the trial run, we should actively promote the auxiliary reform and stipulate all kinds of policies and measures. In line with this, the municipal enterprise reform leading group sets forth 13 specific measures, which concern seven aspects

and aim to resolve the difficulties during the process of running the trial system. He urged party committees and governments at all levels and the relevant departments to strengthen the organizational leadership, promote the work of running the trial system, and continue to make new breakthroughs.

Northwest Region

***Gansu People's Higher Court Gives Work Report**
95CM0309A Lanzhou GANSU RIBAO in Chinese
9 Apr 95 p 4

[Summary of Work Report of the Higher People's Court of Gansu Province, delivered by Wang Shiwen (3769 0013 2429), chief justice of the Higher People's Court of Gansu Province, at the Third Session of the Eighth Gansu Provincial People's Congress on 31 March 1995]

[FBIS Translated Excerpt] [Passage omitted] In 1994, people's courts at all levels in Gansu Province continued the policy of "grasping with two hands and ensuring that both hands are firm," and vigorously used legal means to maintain social stability, adjust economic relations, resolve civil disputes, and promote stability and unity. A total of 75,358 cases, including criminal, civil, economic, administrative, and enforcement, were accepted, an increase of 18.9 percent over 1993. A total of 25,883 letters, involving lawsuits, complaints, and other matters not related to lawsuits, were handled. A total of 41,431 visitors from the people were received.

1. Deal severe blows at serious criminal offenses and maintain social stability.

In 1994, firmly implementing the policy of punishing heavily, quickly, and severely according to law, people's courts at all levels in Gansu Province dealt severe blows to criminals who had seriously undermined public security and those who had committed serious economic crimes. The people's courts strived to create a stable social environment for reform and the building of a socialist market economic system. The trial court level accepted 10,683 criminal cases, an increase of 27.2 percent over 1993, and sentenced and convicted 12,369 criminals, an increase of 22.1 percent. Of this, 4,861 defendants, or 39.3 percent, received more than five years in prison, life sentence, or death sentence (including suspended death sentence); 5,508 defendants, or 44.5 percent, received less than five years in prison; 1,735 defendants received suspended sentence, community service, or probation; 178 defendants received no criminal punishment; and 87 defendants were acquitted.

—Intensify attacks and focus on key cases. People's courts in Gansu Province have always focused attacks

on the following crimes: murder, robbery, rape, gangsters, drug dealing, serious assault, major theft, and especially organized crimes and road bandits. Of 6,144 convicted serious criminal offenders, 4,014, or 65.33 percent, received more than five years in prison, a life sentence, or a death sentence (including a suspended death sentence), dealing an effective blow to the arrogance of criminals.

—Vigorously carry out special operations to severely attack drug-related crimes. A total of 1,202 drug-related cases were filed, up 123 percent from 1993. Of 1,225 convicted criminals, 774, or 63.2 percent, received more than five years in prison, a life sentence, or a death sentence (including a suspended death sentence), pushing the anti-drug campaign to develop in depth.

—Severely punish economic crimes and deepen the anti-corruption struggle. A total of 641 economic cases involving 899 defendants were filed, up 29.8 percent and 23.7 percent respectively from 1993. Of the 239 people who were convicted of theft, bribery, and misusing public funds, seven were cadres at the county or section level. People's courts at all levels also attacked criminals who had seriously disrupted economic order by committing financial fraud, stealing tax money, refusing to pay taxes, committing tax fraud, smuggling and selling illegal goods, and manufacturing and selling imitations and inferior commodities. A total of 318 such criminals were convicted. People's courts also paid attention to using fines and confiscation as additional penalties and saved the state and collectives from more than 15.8 million yuan in economic losses.

—Actively take part in the comprehensive management of social order to prevent and reduce crimes. Propaganda and education on the legal system was carried out through open trials. Some 468 trials were held and 2.78 million people attended. In view of the management problems of departments concerned revealed during the investigation of cases, people's courts made 451 judicial proposals to encourage these units to stop loopholes, straighten out rules, and establish systems. With regard to those who received probation, suspended sentence, or no jail sentence, people's courts insisted on revisiting, observing, and ensuring that all measures to help, educate, supervise, and reform were enforced. With regard to those criminals who showed remorse or had meritorious conducts during labor reform, 6,817 had their sentences reduced according to law and 934 were released on parole. With regard to juvenile crimes, people's courts upheld the principle of education, persuasion, and redemption, as well as, educating people through trials, and combining punishment with education. There were 509 juvenile criminals tried.

2. Regulate economic relations according to law and guarantee and facilitate the development of socialist market economy.

To adapt to the establishment and perfection of the socialist market economic system, people's courts further strengthened economic trials and strived to serve the needs of reform, opening up, and economic development. The trial courts tried a total of 19,016 economic dispute cases, up 76.9 percent from 1993. The amount of money involved in these lawsuits reached 1.44 billion yuan, up 102.8 percent from 1993.

—Strengthen the trials of cases on enterprise contract, lease, and bankruptcy to help enterprises march toward the market. A total of 341 such cases, including enterprise contracts, leases, joint management, bankruptcy, and mergers, were tried and closed. As the reform of the economic system deepened, more enterprises declared bankruptcy. A total of 19 bankruptcy cases were tried in 1994. With regard to those enterprises which were qualified to declare bankruptcy, people's courts assisted the government in making arrangements for their employees.

—Strengthen the trials of cases involving purchase and sale contracts and disputes over patents and encroachments on rights to maintain the order of market operations. A total of 3,079 cases involving purchases and sales, property rental and lease, processing contracts, technical contracts, and disputes over patents and encroachments on rights were tried and closed. According to economic laws and regulations, people's courts defended the validity of contracts, protected the lawful interests of parties involved, and maintained the order of market operations.

—Strengthen the trials of monetary dispute cases to ensure the enforcement of reform measures. People's courts throughout Gansu Province conscientiously tried cases involving disputes over loan agreements, conducted special trials to clean up loans and helped banks withdraw outstanding loans. A total of 2,844 such cases were tried and closed.

—Strengthen the trials of economic dispute cases in rural areas to accelerate the development of the rural economy. People's courts in Gansu Province tried and closed 78 contract dispute cases which were related to rural reform and development. This played a positive role in stabilizing the responsibility system which is based on output-related household contracts and accelerating the continuous improvement of the two-tier management system which allows both unified and separated management.

—Do a conscientious job in trying cases on economic disputes involving foreign nationals and people from Hong Kong, Macao, and Taiwan. A total of 11 such cases were accepted in 1994, and five were tried and closed. The lawful interests of Chinese and foreign nationals involved were protected equally according to law.

3. Regulate civil relations according to law and protect the personal and property rights of citizens.

The people's court further strengthened civil trials to protect the lawful interests of citizens and legal persons and handled a large number of cases involving personal and property rights. A total of 35,472 civil cases were accepted at the trial court level, up 11 percent from 1993.

—Vigorously try marriage and domestic dispute cases. A total of 19,098 divorce cases were accepted in 1994, up 8 percent from 1993. The phenomena of marrying too early and illegal cohabitation are increasing instead of decreasing in many localities. Through court trials, 1,351 illegal marriages were declared void, up 27 percent from 1993. People's courts also handled a large number of support and maintenance cases and paid attention to protecting the lawful rights of women, children, and the elderly.

—Vigorously try creditor's rights and debt-related cases. Due to the development of private management and the individual economy and the brisk labor market, civil financial liabilities, labor disputes, and disputes over remuneration have increased substantially. A total of 6,549 such cases were accepted in 1994, an increase of 34.8 percent over 1993.

—Vigorously try compensation cases. A total of 3,868 compensation cases, mostly personal injuries, were

accepted in 1994, an increase of 4.9 percent over 1993. On the one hand, people's courts emphasized the burden of proof of parties and, on the other hand, they paid attention to proof of damages and determined the amount of compensation according to facts regarding the degree of liability and injury so as to resolve disputes fairly.

—Vigorously try real estate dispute cases. People's courts at all levels tried and closed 859 such cases according to land, urban construction, and other relevant laws, up 17.8 percent from 1993, thus accelerating the sound development of the real estate market.

—Vigorously try cases regarding personal rights and work products. A total of 82 cases regarding work products, reputation, name, and image were accepted in 1994. Fair and lawful treatment of such cases has played a positive role in accelerating the sound development of production, science and technology, and cultural activities.

4. Vigorously carry out administrative hearings to facilitate the construction of the legal system.

A total of 465 administrative cases were accepted in 1994. People's courts protect the lawful rights of citizens, legal persons, and other organizations as well as safeguard and supervise administrative bodies in exercising their functions according to law. People's courts upheld the decisions of administrative bodies in 22.6 percent of closed cases and directed administrative bodies to dismiss or amend original decisions in 24.6 percent of cases. About 38.1 percent of cases were dismissed by plaintiffs. Pursuant to the requests of administrative bodies, people's courts compelled enforcement in 654 cases, assisting administrative bodies in exercising their functions according to law. [passage omitted]

Official Says Taiwan Creating 'Two Chinas'

OW1909135995 Beijing XINHUA in English
1335 GMT 19 Sep 95

[FBIS Transcribed Text] Beijing, September 19 (XINHUA) — An official in charge of the Association for Relations Across the Taiwan Straits (ARATS) urged adherence to the principle of "One China" so as to provide a firm base for stable cross-straits relations.

In an interview with XINHUA here today, the official said that the principle also serves as a basis for both sides to achieve peaceful reunification.

"It is our unswerving principle in dealing with cross-straits relations that we insist on 'One China' and safeguard Chinese sovereignty and territorial integration by opposing 'Two Chinas' or 'One China, One Taiwan'," he said, adding that the principle is also the basis on which ARATS co-operates with the Taiwan-based Straits Exchange Foundation (SEF).

He pointed out that ARATS and SEF made an oral agreement in 1992 that "both sides of the Taiwan-Straits should stick to the principle of 'One China'," which stipulates that the cross-straits question is a matter of China's interior affairs.

Taiwan has only acknowledged "One China" orally, but has tried to create "Two Chinas" or "One China, One Taiwan". In fact, ARATS pointed out in 1992 that they "cannot agree with Taiwan's understanding of the term 'One China'. We always stand for 'Peaceful Reunification, One Country and Two System', and oppose 'Two Chinas', 'One China, One Taiwan', or 'Two Equal Political Entities'."

In subsequent talks between ARATS and SEF, the attempts by Taiwan to divide China or create "Two Equal Political Entities" failed because of ARATS' unflagging efforts, he said, pointing out that in recent years the Taiwanese authorities have attempted to get "Dual Recognition" internationally and to "Join the United Nations". In June of this year, Li Teng-hui even visited the US, where he gave a speech playing up "Two Chinas" or "One China, One Taiwan", ignoring the feelings of Chinese everywhere.

"What he did and said goes against the principle of 'One China', damages the base of stable cross-straits relations, and delayed talks between ARATS and SEF, thereby harming the interests of the Taiwan people," he said.

"Taiwanese authorities should stop pushing for 'Two Chinas' and 'One China, One Taiwan', and return to the principle of 'One China', laying a stable foundation for cross-straits relations," he said.

ARATS Asks To Resolve Fishing 'Incidents'

OW1909113995 Beijing XINHUA Domestic Service
in Chinese 0946 GMT 18 Sep 95

[FBIS Translated Text] Beijing, 18 Sep (XINHUA) — The Association for Relations Across the Taiwan Strait [ARATS] sent a letter to Taiwan's Strait Exchange Foundation [SEF] today, explaining its attitude toward the so-called "restricted and forbidden waters" contained in the SEF's 31 August letter.

In its letter, the ARATS said: To facilitate Taiwan fishermen's operations in Jinmen [Kinmen] and Mazu [Matsu] in the Taiwan Strait, such as taking shelter from typhoons and seeking assistance in times of distress, departments concerned on the mainland have, in recent years, set up more than 30 berths and four typhoon shelters along the coastal areas for Taiwan fishing vessels. Over the past year alone, the general public and departments concerned along the coast of Fujian have rescued 54 Taiwan compatriots in distress; there has not been a single case of deliberately harming Taiwanese fishermen. Departments concerned on the mainland have made unremitting efforts to protect the personal safety of fishermen from the Taiwan region. The feelings and acts of love shown by people on the mainland's coastal areas toward fishermen from Taiwan, their own flesh and blood, are widely known to large numbers of Taiwan fishermen.

However, departments concerned in Taiwan have time and again deliberately fired at and killed mainland fishermen engaged in normal fishing operations in the traditional fishing grounds of Jinmen and Mazu in the Taiwan Strait and, instead of punishing the culprits and compensating for the losses suffered by mainland victims, have defended the culprits and absolved them from criminal responsibility. As a result, such bloody incidents have occurred repeatedly. According to incomplete statistics, since 1992, 99 mainland fishermen have fallen victim to shelling fired by troops under Taiwanese authority, 31 of them died as a result. The following case could serve as proof. On 12 May last year, two boat trawlers from Ankai Township, Lianjiang County, "Minlianyu" Nos. 9329 and 9330, were suddenly shelled by troops stationed in Dongyin under Taiwan authorities at a time when the trawlers were engaging in normal fishing operations in the No. 1 zone of the No. 246 sea area. To avoid further casualties and property losses, the fishermen immediately stopped fishing operations and sailed out of the area. However, after sailing for several minutes, No. 9329 was attacked for the second time by artillery fire from troops stationed in Dongyin. Fishermen Lin Qicun and Lin Qian were wounded by artillery shells, and equipment on the boat was seriously dam-

aged. When the boat sailed toward Dongyin Island to seek assistance, it was stopped by fire from the troops and was not allowed to anchor off the coast to seek medical treatment for the wounded. Because of lack of immediate medical attention, Lin Qicun died in the end. This kind of incident has occurred many times and will not be enumerated one by one here.

Taiwan authorities and their military forces stationed on the islands are quite aware that mainland fishermen are engaging in normal navigation and fishing operations in the traditional fishing grounds of Jinmen and Mazu in the Taiwan Strait and that they are not making any impact whatsoever on Taiwan's security. While orally declaring that "as Chinese, we will help other Chinese," Taiwan authorities have colluded in their troops' shooting at innocent mainland fishermen and at prohibiting them from seeking help after being wounded.

ARATS stressed in its letter that it has been authorized many times in the past to send letters to the SEF to reiterate its opposition to the shelling of innocent mainland fishermen by troops under Taiwan authorities and to the so-called "restricted and prohibited water areas." It has also proposed ways to resolve the issue. We now asks the SEF again to pass on the word to relevant Taiwanese departments not to use "separate rule on the two sides," "prohibited water areas," and "it is proper and reasonable to banish cross-border invaders" as justifications to continue creating bloody incidents of killing and injuring mainland fishermen engaged in normal fishing operations in the traditional fishing grounds of Jimen and Mazu in the Taiwan Strait. The Taiwan authorities must take full responsibility for the serious consequences resulting from this and compensate for the personal and property losses suffered by mainland fishermen as a result of the banishment and shooting.

Editorial Views Possibility of 'War Crisis'

HK2009022995 Hong Kong WEN WEI PO in Chinese
7 Sep 95 p a2

[Editorial: "Lee Kuan Yew Believes That Taiwan Independence Will Trigger War Crisis"]

[FBIS Translated Text] Lee Kuan Yew visited China recently and met with senior Chinese leaders. In his article carried after the visit in WORLD LEADERS FORUM monthly distributed by the New York Times Group of the United States, he pointed out: If Taiwan threatens to become independent, "China is serious about using force against it," "any act of instigating the independence of Tibet or Taiwan will trigger off a

war crisis," and "China will make a strong response to any threat to its eventual reunification with Taiwan." He stressed: "With regard to the Taiwan issue, the views of the Chinese people are completely identical with those of their leaders. The Chinese will fully support what their leaders have done."

Lee Kuan Yew also stated: The most important admonition which those veterans who joined the Long March give their successors is: "Defend China's unification, and let Taiwan return to the mainland." Any changes in the U.S. one-China policy which appear to tolerate or advocate two Chinas, or one China and one Taiwan, "will all be treated as a threat to China's territorial integrity."

Li Teng-hui and his kind must read the article written by Lee Kuan Yew to understand the possible consequences of his pursuit of Taiwan independence, and how this hurts the feelings of the Chinese nation.

Li Teng-hui's pursuit of "Taiwan independence" is contrary to the will of the people. First of all, he has openly relied on foreign forces to engage in the activities of splitting China. He is most willing to become a chessman for "containing" China. This means he has betrayed our national interests. Li Teng-hui openly claimed to "miss the glory of the 'Japanese period'" and shed tears of gratitude because the United States let him visit the country. The media pointed out: This shows his stubborn "traitor syndrome" and "servile mentality." Li Teng-hui's fulsome praise of the war of aggression of Japan and its colonial rule is an insult of the entire Chinese nation, and a blasphemy of the thousands upon thousands of sons and daughters of the Chinese nation who rose up to resist the aggressors and bravely laid down their lives, or who were slaughtered by Japanese troops. He is most willing to become a chessman of the United States for "containing China." This demonstrates that he has thoroughly betrayed the interests of the Chinese nation. For this reason, the Taiwan public indignantly accuses him of being a "modern Wang Ching-wei." No wonder more than 10,000 masses in Taiwan staged a grand demonstration to mark the 50th anniversary of the victory of the war of resistance against Japan and the recovery of Taiwan, and shouted the slogans "eliminate Taiwan independence and abolish traitors."

Because he is completely devoid of the principle of political sincerity, Li Teng-hui does not enjoy popular support. His rise to political power and position started from his betrayal of his schoolmates and friends. After winning the trust of Chiang Ching-kuo by cheating,

he vowed solemnly that he would never go against the conviction of "one China." During the mourning period for Chiang Ching-kuo, he arrived at the mourning hall every morning more than one hour earlier than the Chiang family members. It seemed as if he had been pious in "carrying out the behests." However, once he became the successor to Chiang Ching-kuo, he began his ardent pursuit of the "localization" of political power aimed at excluding those who held different political views, established his autocratic rule, and broke the promise of abiding by the principle of "one China." Li Teng-hui has no political honesty and faithfulness at all. This has been particularly reflected in his "sham unification and genuine independence," and "overtly agreeing to unification but covertly opposing it." While saying that his "determination to seek unification remains unchanged," he wantonly peddles his stuff of "separation and separate rule," and "two equal political entities." He usurps the name "Republic of China," which has become a thing of the past in history. He tries to spend a huge amount of money to "enable Taiwan to return to the United Nations." While talking glibly about the "dignity of the Republic of China," he attempts to build himself up with the help of foreigners. He is most willing to become a "puppet" and chessmen of foreigners to contain China. While prattling that the "desires of the people are in my heart," he turned a blind eye to the Taiwan public's aspirations for easing and harmonizing cross-strait situation, promoting closer cross-strait cooperation, and realizing peaceful reunification as early as possible. He hypocritically says: "Descendants of the Emperors of Yan and Huang must first show their sincerity to each other instead of killing each other." However, he is the first to use firearms to disturb the tranquility of the strait. He not only makes a show of force and wantonly engages in military conflict to give impetus to "Taiwan independence," he also orders Taiwan troops to kill by shooting mainland fishermen. He does not hesitate to create an incident causing death to people on the two sides of the straits to nurse hatred among them.

On 18 August, while being interviewed by SANKEI SHIMBUN of Japan, Li Teng-hui said hypocritically: "I hope that the situation in the Taiwan Strait will calm down again." In the meantime, he made unfounded counter-charges and shifted the responsibility of the sudden tension in cross-strait relations onto "communist China's tough measures." This shows that his lack of sincerity is linked with his treachery and sinisterness [gui jue yin xian 6111 6216 7113 7145]. Due to the fact that "Taiwan independence" is not supported by the public, he said unctuously: "Taiwan independence can

only ruin the bright future of our country and sacrifice social stability and prosperity. We cannot and must not take this action." However, in practice, he has intensified his efforts to persist in challenging "impossible matters." Telling lies has become Li Teng-hui's second nature, and people no longer believe in his sham righteousness, benevolence and lies. Everyone detests his lies.

Men of insight in Taiwan point out: Li Teng-hui's pursuit of "Taiwan independence" has pushed 21 million Taiwan people to the brink of disaster. According to a poll conducted inside the island, the support rate for "Taiwan independence" has dropped drastically, whereas the number of those who favor maintaining relaxed cross-strait relations and unification has greatly increased. Many interviewees believe that Li Teng-hui's pursuit of "Taiwan independence" has taken the safety of the public as a stake, and that it will never benefit Taiwan. Taiwan media also stress: "Li Teng-hui dances with a gold cow and embraces Taiwan independence elements. He also sleeps on the same pillow with certain ambitious politicians from the United States and Japan. To the entire China including Taiwan, it is like a single spark. To prevent it from developing into a prairie fire, it is not suitable for Li Teng-hui to run again for presidential election."

Li Kuan Yew's article also points out the steps the United States should follow to break the deadlock in Sino-U.S. relations. Improper policy taken by the United States will run the risk of bringing about consequences of prolonged bad terms with China unless it believes that mainland China will disintegrate like the previous Soviet Union. Lee Kuan Yew obviously does not believe that disintegration of the previous Soviet Union will occur in mainland China. The United States will, of course, again improve Sino-U.S. relations in light of its own interests. Li Teng-hui's reliance on the Americans to support "Taiwan independence" is doomed to failure. When the pipedream vanishes is the time when he loses all standing and reputation.

Jiangsu, Taiwan To Enhance Economic Cooperation

*OW1909105895 Beijing XINHUA in English
0806 GMT 19 Sep 95*

[FBIS Transcribed Text] Nanjing, September 19 (XINHUA) — Economic and trade cooperation and technical and cultural exchanges between Jiangsu, an economic giant in east China, and Taiwan, have been growing rapidly over the past few years.

The Jiangsu provincial government recently stressed its welcome to Taiwan businessmen attending the on-going '95 Jiangsu Foreign Economic and Trade Fair.

By the end of June this year, Jiangsu had approved the establishment of 5,622 enterprises funded by Taiwan business people, which involve a contractual Taiwan capital of over seven billion US dollars.

At the reception specially held for Taiwan businessmen, Zheng Silin, governor of Jiangsu, said that he was optimistic about the prospects of economic and trade cooperation with Taiwan and pledged to provide an even better investment environment and services.

Taiwan 'Gratified' With U.S. Official's Remarks
OW2009010895 Taipei CHUNG-YANG JIH-PAO
in Chinese 16 Sep 95 p 2

[FBIS Translated Text] U.S. State Department spokesman Burns said recently it is impossible for the United States to sign a "fourth communique" with the Chinese Communists. Ministry of Foreign Affairs [MOFA] spokesman Leng Jo-shui said yesterday we are very gratified that the U.S. Government is sticking to its principles.

Burns also said it is impossible for the United States to accept the Chinese Communists' request that Taiwanese leaders no longer be allowed to visit the United States, adding it is possible for Taiwanese leaders to visit the United States in the future. He said the U.S. Government's position is that such visits will be infrequent, personal in nature, and unofficial, and that the U.S. Government will make its decision on a case-by-case basis.

Leng Jo-shui said we are very gratified that the United States refused to promise the Chinese Communists that it will no longer allow our ranking officials to visit and expressed no willingness to sign a "fourth communique" with the Chinese Communists because of its principles.

Burns also pointed out that cross-strait relations should be determined by the two sides. Leng Jo-shui said: At present, Communist China still regards us as its local government. To discuss our UN participation with the Chinese Communists at the current stage is like fishing in the air. When the development of cross-strait relations enters its second stage, as stipulated in the National Unification Guidelines, we will not rule out discussing the UN issue with the Chinese Communists. However, it is beyond the MOFA's ability to decide when the opportunity will arise.

Magazine Says Taiwan Interested in Buying U-2s
OW1909125395 Taipei CNA in English
0956 GMT 19 Sep 95

[By Bill Wang and Sofia Wu]

[FBIS Transcribed Text] Washington, Sept. 18 (CNA) — Taiwan has expressed interest in purchasing U.S.-made U-2 aircraft to beef up its airborne reconnaissance capabilities, the DEFENSE NEWS reported in its latest issue which hit newsstands Monday.

Although Taiwan needs to upgrade its airborne reconnaissance capabilities in face of Mainland China's military threat, the weekly said the United States is not likely to sell the high-altitude reconnaissance planes to Taiwan for fear of offending Beijing.

The weekly said Taiwan pilots already know how to fly U-2s because the U.S. provided such planes for Taiwan air force pilots to engage in reconnaissance missions over the mainland skies in the 1960s. It quoted American officials as saying 10 U-2 planes crashed in Mainland China during that period.

The magazine said U.S. authorities are weighing whether to totally phase out or reduce the number of U-2 planes now that unmanned reconnaissance aircraft have become increasingly popular. Some high-level American military officers have even begun considering the sale of aging U-2 planes, the weekly said.

In addition to Taiwan, the DEFENSE NEWS said, Britain and South Korea have also expressed interest in the U-2s.

Grenadian Prime Minister, Delegation Begin Visit
OW2009034695 Taipei CNA in English
0131 GMT 20 Sep 95

[By Yang I-feng]

[FBIS Transcribed Text] Taoyuan, Sept. 19 (CNA) — Grenada's Prime Minister Keith Mitchell led an eight-member delegation to visit the Republic of China [ROC] Tuesday [words indistinct] Foreign Minister Fredrick Chien welcomed the delegation at the Chiang Kai-shek international airport.

Grenada, an island state in the Caribbean sea, formed official diplomatic relations with the Republic of China in 1989. The two countries have signed agricultural technical accords and an extradition treaty.

During his week-long stay in Taiwan, Mitchell will call on President Li Teng-hui and Premier Lien Chan. He will also visit cultural and economic establishments, the Ministry of Foreign Affairs said.

Mitchell will preside over an investment and trade conference in Taipei on Wednesday.

Official Views Li's Reunification Work
OW2009034495 Taipei CNA in English
0146 GMT 20 Sep 95

[By Flor Wang]

[FBIS Transcribed Text] Kaohsiung, Sept. 19 (CNA) — Wu Poh-hsiung, secretary-general to president Li Teng-hui, said Tuesday President Li has never deviated from the goal of national reunification, but the welfare of Taiwan's 21 million people is his top priority.

Wu made the remark here at a monthly meeting of the Kuomintang Kaohsiung city committee.

President Li was quoted as saying that Taiwan and Mainland China should jointly assume the responsibility to achieve China's reunification under the principles of freedom, democracy and equal opportunity to prosper. Wu said that is why the Republic of China [ROC] Government set up the National Unification Council in 1991 to draw up stages and methods for achieving this goal.

Wu said, however, that President Li's friendly approach has not obtained reciprocal good will from the mainland Chinese side, which has even gone as far as launching military threats against Taiwan since President Li visited the United States in June.

In Wu's view, Beijing's strong reaction toward president Li's U.S. visit was stirred up by Li's speech at Cornell University, which pointed out that the existence of the ROC is an undeniable fact.

Wu thus called for full support of President Li, saying that the whole nation should stand behind him for what he has done for the country.

The government's decisions to abolish martial law, as well as lift the ban on the formation of political parties and advocate freedom of the press, are significant moves in Taiwan's transformation into a democratic society, Wu noted.

***Public Attitudes Towards Control Yuan Surveyed**
95CM0392A Taipei TZULI WANPAO in Chinese
16 Jul 95 p 2

[Article by staff reporter Fei Kuo-chen (6316 0748 4394): "Public Voices and Political Circles Far Apart on Pursuing a Single Congress; Public Evenly Divided on Transferring Examination Yuan's Investigative Powers to Legislative Yuan"]

[FBIS Translated Text] At a time when a growing number of politicians are demanding a single legislative body, what do ordinary citizens think of the Examination Yuan? A poll to be published this afternoon shows that 27 percent of the public supports transferring the Examination Yuan's power to coordinate case investigations to the Legislative Yuan, while 24 percent of the public opposes this idea. While the difference between the two views is not very great, it shows that on the issue of pursuing a "single congress" there is a gap between the majority of the public and the politicians.

Senior officials of the Kuomintang [KMT] have directed there be "no revisions to the constitution" during the People's Congressional Conference, but the Legislative Yuan continues to talk about a "single congress." Now, as the Legislative Yuan's conference draws to a close, Legislative Yuan member Kao Yu-jen [7559 5148

0088] has submitted a provisional proposal signed by more than 100 members, demanding the constitution be revised to provide for a single congress.

A poll on the "Examination Yuan's Image in Society," to be published this afternoon, shows that about 26.7 percent of the public support the transfer of the Examination Yuan's investigative powers to the Legislative Yuan, while 23.8 percent oppose it. The difference between two opinions is not very big, and 47 percent of the public have no opinion. But detailed analysis of the respondents discloses that only those who have more education than a college degree have a clear understanding of this proposal to alter the constitution.

In addition, this poll that is so trusted by Congressman Ch'en Hung-chi [7115 7703 1015] provides public views on the changes between the Examination Yuan and the Congress. Congressional action to investigate the Examination Yuan is supported by 46 percent of the respondents, while 26 percent oppose it.

***Poll Yields Data on Single-Chamber Legislature**
95CM0392B Taipei TZULI WANPAO in Chinese
16 Jul 95 p 2

[Article by staff reporter Fei Kuo-chen (6316 0748 4394): "Poll Gives Examination Yuan a 53.4 Percent Overall Approval Rating"]

[FBIS Translated Text] Data on the "Investigation of the Examination Yuan's Image in Society" supplied by the "Committee Promoting Congressional Reform" points out that the social image of the inspection committee this term has a more positive image than in the past. However, about half of those interviewed still believe the committee did not fully perform its function: only 33 percent expressed satisfaction; the average score for overall performance is 53.4 percent, not a passing grade. Regarding its former image of "only working on flies instead of tigers," this survey discovered that more than 50 percent of the public still thinks the inspection committee can only impeach low ranking officials.

This public poll was conducted from 11 to 13 July throughout the Taiwan area via a random survey of 3,000 telephone calls, which obtained a successful sample of 1,120 respondents.

The investigation discloses that nearly 50 percent of the public are unaware that the inspection committee has such functions as impeachment, indictment, auditing and investigation, etc. Less than 10 percent of those interviewed could name all its functions. On the results of major issues related to the Examination Yuan's image, 47 percent of the respondents thought that the Examination Yuan's position in fulfilling its functions

has reached a scale in excess of that of parties and groups; 30 percent believe the opposite. About 45 percent think that the Examination Yuan suits the correct social principle in its functions, with 26 percent disagreeing. However, other data shows that 49 percent of the public believes the inspection committee failed to bring its function into play, and that the committee's performance also needs improvement. There were 37 percent of the people expressing approval of the committee's efficiency, but 32 percent regarded it as inefficient.

The stiff image of "only working on flies instead of senior officials" still lingers with 51 percent of the public after the inspection committee was reorganized this term, but 24 percent of the public disagreed with this view.

Regarding this term's inspection committee members who have held their positions for more than two years, 59 percent of the public gave them a positive evaluation, which is considerable progress over last term. However, the degree of satisfaction expressed was only 33 percent, while the degree of dissatisfaction was 45 percent; moreover, the score the public gave the committee this term was only 53.4, which is not passing. However, the report notes that even though the committee's performance did not pass, and the public degree of satisfaction tended to be low, when people perceive an injustice, two-thirds of them would still attempt to seek justice via the channel of the inspection committee.

Ministry Notes 20 States Now Support UN Bid

OW2009035095 Taipei CNA in English
0122 GMT 20 Sep 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Sept. 19 (CNA) — The number of countries backing the Republic of China [ROC]'s bid to join the United Nations has increased to 20, the highest since the plan was launched three years ago, the Ministry of Foreign Affairs said Tuesday.

Thirteen member states endorsed Taiwan's UN bid in 1992, and the number rose to 15 last year. Both proposals were killed in the UN steering committee.

Fifteen countries — including Swaziland, Nicaragua, the Solomon Islands, and Guatemala — proposed on July 18 that Taiwan's representation be considered according to the principles of universality and parallel representation of split countries in the UN.

Since then, the proposal was endorsed by The Gambia, Honduras, El Salvador, Malawi and Saint Vincent and the Grenadines.

This year's proposal is listed 158th among the total of 164 temporary proposals on the agenda of the UN General Assembly, which will open Wednesday with former Portuguese Foreign Minister Freitudo Amaral officiating. The ROC UN membership proposal is expected to be discussed later this week.

Of the 28-member steering committee, Costa Rica, Saint Lucia, and Nicaragua are friendly to Taiwan.

A foreign ministry official said he is cautiously optimistic about this year's proposal. The steering committee spent an hour and a half discussing Taiwan's UN bid last year. "Though the proposal was eventually passed over, the issue has drawn wider attention," the official said.

Approval by at least half of the UN members is required if the proposal is to be listed on the UN General Assembly's agenda. That could be a difficult task for the ROC at present, given the fact that only 30 countries maintain official diplomatic links with Taiwan, the official said.

He stressed that getting Taiwan back into the UN requires long-term efforts and continued dedication toward the bid, which he said is the common aspiration of the 21 million people in Taiwan.

Beijing elbowed Taiwan out of the UN in 1971 by taking over sole possession of the China seat.

Official, South Pacific Forum Leaders Meet

OW2009034395 Taipei CNA in English
0140 GMT 20 Sep 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Sept. 19 (CNA) — Vice Foreign Affairs Minister Fang Chin-yen met with his counterparts from Tonga, Nauru, Tuvalu, the Solomon Islands, Fiji and Papua New Guinea in Port Moresby, the capital of Papua New Guinea, on Tuesday, the Ministry of Foreign Affairs said.

"Taiwan's growing economic clout drew great attention in the talks," a foreign ministry official said.

The official said Fang voiced a keen desire to jointly develop the south Pacific region, in projects ranging from economic aid to agricultural technology and investment. Fang also urged the dialogue forum partners to back Taiwan's bid to join the United Nations.

"We appeal to the international community to recognize the fact that the two sides of the Taiwan strait have been ruled by two distinct political entities for almost half a century," Fang told the two-hour meeting. "We urge

you, and the international community at large, to [word indistinct] our just cause."

Fang is the leader of the ROC delegation to the third forum dialogue with the south Pacific forum, of which Taiwan is not a member.

Taiwan maintains official diplomatic ties with four members of the south Pacific forum, which groups the region's 16 independent states and self-governing countries. The four are Tonga, Nauru, Tuvalu and the Solomon Islands.

Businesses Benefit From Japan's Computer Market
OW2009034595 Taipei CNA in English
0112 GMT 20 Sep 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, Sept. 19 (CNA) — Taiwan's computer-related businesses are benefiting from Japan's booming personal computer market, but have been urged to refrain from cut-throat competition to gain a greater slice of the market share in Japan.

Japan's PC market is projected to swell by 35-40 percent, and its market scale is estimated to grow to 5 million units in the year beginning April 1, 01995, according to statistics provided by the Osaka office of the China External Trade Development Council (CETRA).

With the continuous expansion of market scale, Japan's PC vendors have one after another raised their sales targets for this year. OEC, Japan's no. 1 PC vendor, is planning to sell 2.8 million units in 1995, while Fujitsu is hoping to see sales of 1.5 million units.

Both NEC and Fujitsu are purchasing PC parts and components from Taiwan on an Original Equipment Manufacturing (OEM) basis. Taiwan provides almost everything that is needed to build PCs, from motherboards and monitors to keyboards, mouse devices, connectors and power supplies.

Since 1993, Taiwan's information product exports have doubled every year.

An official with CETRA, Taiwan's largest non-profit trade promotion organization, called on local companies to avoid cut-throat competition and step up post-sale service, particularly for motherboards and monitors, products for which Taiwan has developed a market niche.

Taiwan, UAE Sign Civil Aviation Agreement
OW2009034995 Taipei CNA in English
0115 GMT 20 Sep 95

[By Yang I-feng]

[FBIS Transcribed Text] Taipei, Sept. 19 (CNA) — The Republic of China [ROC]'s Civil Aeronautics Administration (CAA) and its counterpart from the United Arab Emirates inked an aviation agreement here Tuesday [19 September].

According to the agreement, China Airlines will from Oct. 29 change its stopover at Dubai to Abu Dhabi for its Taiwan-Europe services.

At present, China airlines operates seven flights through Dubai each week, including five cargo planes and two passenger planes, China Airlines said.

The agreement was signed by Taiwan's CAA director Tsai Chin-yen and the director of the official aviation agency in the UAE, Al Hameli.

China Airlines said that its decision to choose Abu Dhabi instead of Dubai was made because of Abu Dhabi's cheaper airport facility fee and its greater market potential.

Dubai is the largest of seven IAE states and also the capital of the Middle East nation.

Directorate Notes Recent GNP Performance
OW2009034295 Taipei CNA in English
0135 GMT 20 Sep 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, Sept. 19 (CNA) — Among the four Asian dragons, Taiwan posted the greatest leap in the GNP world rankings over the past 10 years, the Directorate General of Budget, Accounting and Statistics (DGBAS) said Tuesday.

In terms of gross national product, Taiwan moved ahead the most, improving from the 28th largest GNP in the world in 1983 to the 18th largest in 1993. In the same ten years, Hong Kong surged from 35th to 27th place; South Korea rose from 20th to 12th; and Singapore took a step forward from 40th to 39th, according to the DGBAS.

The four Asian dragons also performed brilliantly in terms of per capita GNP during the 10-year period, due largely to rapid economic growth and appreciation of their currencies, the DGBAS pointed out.

Hong Kong posted the biggest leap in per capita GNP, moving up from 25th in the world to 13th. Taiwan went from 32nd place to 25th, while Singapore managed to capture 14th position, improving from 20th. South Korea advanced to the 28th spot from its previous ranking of 37th, the DGBAS added.

Hong Kong

Liaison Group Considers Hong Kong Defense

*OW2009042095 Beijing XINHUA Domestic Service
in Chinese 0038 GMT 20 Sep 95*

[FBIS Translated Text] Hong Kong, 20 Sep (XINHUA) — The 18th meeting of experts of the Sino-British Liaison Group on Hong Kong's defense and security question was held here yesterday [19 September].

Chen Zuor, representative of the Chinese side of the liaison group attending the meeting, indicated that the Chinese side, proceeding from the general purpose of guaranteeing the smooth transition and smooth transfer of government in Hong Kong as well as its prosperity and stability, hopes to have active consultations with the British side so as to achieve new progress.

Since the 17th experts' meeting was held half a year ago, through the efforts and cooperation of both sides, China and Britain have made considerable progress in the process of implementing the agreement concluded in June last year on the future use of and arrangements for military land in Hong Kong.

The current meeting is expected to last four days.

Civil Servants Called Important to Transition

*OW1909140895 Beijing XINHUA in English
1402 GMT 19 Sep 95*

[FBIS Transcribed Text] Hong Kong, September 19 (XINHUA) — Civil servants constitute an important force to maintain Hong Kong's long-term stability and prosperity and to ensure a smooth government handover in Hong Kong in mid-1997, a senior Chinese official said here today.

Zheng Guoxiong, vice-director of XINHUA NEWS AGENCY Hong Kong Branch, made the remark at a

gathering held this evening to mark the first anniversary of the founding of the Hong Kong Former Senior Civil Servants Association Limited.

He said that the civil servants are very important for the realization of the principle of "one country, two systems", "Hong Kong people governing Hong Kong" and Hong Kong's high-degree autonomy.

"We hope that after 1997 the overwhelming majority of the civil servants, including those of foreign origin, will stay and continue to serve the Government of the Hong Kong Special Administrative Region and Hong Kong citizens," he said.

Zheng spoke highly of the association's efforts in the past year to promote the contacts and exchanges between local civil servants and the Chinese government officials and to stabilize the ranks of civil servants, adding that it has also contributed to the consultancy work about Hong Kong's smooth transition.

He said, "We expect to have more chances to exchange views and enhance contacts with civil servants."

Chan Nai-keong, chairman of the association, said that civil servants are important to the implementation of the principles of one country, two systems and that of Hong Kong people governing Hong Kong.

He said that the Chinese government has recognized the important function of the civil servants which will play an important role in Hong Kong's return to its motherland.

He said that his association will continue to promote the exchanges between the Chinese government officials and civil servants of Hong Kong government.

More than 100 former and incumbent senior civil servants and Chinese officials attended the gathering.

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